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Japan

New Head of USTR Japan Team Highlighted

OW1603061895 Tokyo KYODO in English 0526 GMT 16 Mar 95

[By Shiro Yoneyama]

[FBIS Transcribed Text] Tokyo, March 16 (KYODO)—For the first time in the 33-year history of the U.S. Trade Representative's Office (USTR) as part of the executive branch of the U.S. Government, a marine biologist will head the USTR's negotiating team with Japan.

Byron Sigel, who has been appointed assistant USTR for Japanese affairs, faces an array of trade issues with Japan beyond his current portfolio as commercial attache in the U.S. Embassy in Tokyo.

The portfolio includes construction and building materials, electric power utilities procurement, environmental technologies and building supplies and basic industries such as glass, paper and chemicals.

"My initial portfolio as new assistant USTR would cover paper issues, wood products, legal services and insurance for a starter," Sigel said in his office. "When I get to Washington, there will be some arrangements for other portfolios."

Fluent in Japanese, and with over 10 years of experience in Japan as a student, researcher and diplomat, Sigel, 38, follows in the footsteps of his recent predecessors—Glen Fukushima and Charles Lake among them—in engaging in intricate and never-ending trade disputes with Japan in English and, where necessary, in Japanese.

"I don't think there is a correlation between being able to speak Japanese and being a good negotiator," he said in an interview.

"The idea is it improves communications. If you have somebody who can understand both languages it serves as a bridge. I am hopeful that would be an asset."

He will be tested in weeks to come as the point man of the U.S. negotiating team with Japan on paper and wood products, which are on the Super 301 watch list.

"We have not yet reached understanding with the Japanese Government as to how to proceed from here," said Sigel. "That would be my primary responsibility. I hope we can reach agreement as quickly as possible."

Sigel, a native of Mt. Clemens, Michigan, initially developed an interest in Asia by chance.

He first came to Japan in 1977 with a roommate at the University of Michigan at Ann Arbor. He traveled around Asia—Japan, Taiwan, Hong Kong and Southeast Asian countries. "When I finished that I returned to Michigan with a desire to learn more about Asia."

He spent a year and a half as a research student and two years in a masters program in agriculture at Hiroshima University, with which the University of Michigan has exchange programs.

It was during his stay in Hiroshima that he met his future wife, glass arts student Fumi Ogawa from Onomichi.

Sigel and Ogawa married in Onomichi in January 1989 and they also had a another wedding in San Diego. They have two children —daughter Justine, 2, and Byron, 7 months old.

He continued his marine biology and development study at Tokyo University's Ocean Research Institute and his PhD thesis dealt with "population dynamics of larval anchovies" in Enshu-Nada in Aichi Prefecture.

Upon graduation from Tokyo University in 1988, Sigel entered the U.S. foreign service and, like many first tour officials, was sent abroad to work on visas and expatriates—in his case to Tijuana, Mexico, as vice consul.

"It was a very exciting time because Mexico was opening up," he recalled. Newly elected President Carlos Salinas was changing the investment climate, economic policies and Mexico's policies vis-a-vis the U.S. "There was a lot of positive momentum generated at the time," Sigel said.

He returned to Japan in 1990 and his expertise in marine biology helped as Japan and the United States were locked in disputes over drift-net fishing and sea turtles.

Like many diplomats around the world, Sigel is not willing to talk about the host country, other than to say that the changing political landscape in Japan is "one of the major factors" in the overall bilateral relationship.

He had been involved in Japan-U.S. Framework negotiations on telecommunications, insurance, semiconductors, supercomputers and financial services for two years prior to his current tour of duty in Tokyo since last August.

Sigel approaches the new job with a strong determination.

"It's an important position and it's a challenging position," he said. "I'll do the best job I can, bring whatever skills I have to the job to solve some of the problems."

For that reason, he promised to come to Japan "very often."

U.S. Stand on Telecommunications Viewed

OW1603102595 Tokyo NIHON KEIZAI SHIMBUN in Japanese 11 Mar 95 Morning Edition p 10

[Part four in the four-part series: "The Telecommunications Industry Is in Danger"; this installment entitled "The United States Is Promoting Free Competition by Backing Up Telecommunications Industries"]

[FBIS Translated Text] **Active Sales Auction for Radiowaves**

The Federal Communications Commission (FCC) is in charge of administrating telecommunications business in the United States. There is currently quite a commotion in the FCC's office in Washington because the office is under renovation. The International Bureau and the Radio Bureau were set up within the FCC last October and December, respectively. With the organizational reform and personnel reshuffling coming in rapid succession, the FCC's building is full of vigor.

Hitting the keyboard of the computer in her office as if she were an exchange dealer, Ms. Regina Keynie, the first chief of the Radio Bureau, said "the price is rising more than the morning sun." The computer is linked to the FCC's auction room, in which the FCC auctions wave bands for "personal communication systems (PCS)"—equivalent to the next generation of portable phones and beepers.

In Japan, regardless of communication and broadcasting, the allotment of frequencies is under the jurisdiction of the Posts and Telecommunications Ministry [PTM]. On the other hand, in the summer of 1994, the U.S. Government introduced the system of auctioning the right to use radio waves. Under the system, the right to use radio waves in a band are sold to the highest bidder. In her office, Ms. Keynie was monitoring the bidding.

Auctions were already conducted for three ranges of the wave band in the United States. Thanks to bidders' expectations of growth for the telecommunications industry, the total contract price has already reached over $2 billion. In a sense, this has become an unexpected financial resource for the United States, which suffers from a structural deficit.

Unlimited Use of the Band Under Study

In the Washington branch of AT&T, the largest telecommunications company in the United States, the wall of a conference room is filled with a map of radio bands. The radio band areas used by the Pentagon for military purposes was left unmarked. But there are growing expectations within the U.S. telecommunications industries that such "preserves" will be opened successively. The companies are entertaining their own plans, and a scramble for the future market has already started slowly.

Their aim is to put telecommunications on the market economy. In previous auctions, the use of radio bands was limited, but the FCC has started to consider auctioning nondesignated radio bands which enables a successful bidder to "use a radio band for any purpose." Underlying the FCC's plan is the United States' confidence in the market economy, and that entrusting businesses with the principle of the market economy as much as possible will be most beneficial to users.

In the U.S. Senate, deliberations are underway on a draft bill designed to lift the ban on allowing long-distance telecommunications, local telephone, and cable TV companies to enter other markets for the first time in 60 years. The foci of the deliberations are the functions of the FCC and the Justice Department Antitrust Bureau, which maintain a competitive situation in the market. The U.S. Government's role is rather similar to that of the Fair Trade Commission, a guard for the Antimonopoly Law.

FCC Chairman Hundt stresses: "Overseeing fair and free competition is the telecommunications administrative work of the government from now on." This attitude is far from Japan's "industrial laws," which enables the government to separately put telecommunications and broadcasting business under its control.

At the G-7 meeting of ministers in charge of information and telecommunications (information summit) held in Brussels in late February, U.S. Vice President Gore proposed an idea of mutually easing regulations among the G-7 nations regarding investment in the telecommunication business, saying: "The United States will completely remove barriers to investment by the end of this year on the condition that other nations will also open their markets."

His unexpected, bold remarks struck participants from European nations and Japan dumb. This is because abolishing regulations requires a drastic change in laws, and it is not something the United States can unilaterally announce to other nations without the approval of Congress. Although there were cautious views regarding his remarks as trying to "sweep over the telecommunications markets in the world," the U.S. Government's serious stand of seeking the liberalization of world telecommunications markets has given a strong shock to world businessmen.

Prospects Dim in Japan

Vice President Gore is an advocate of the "information super-highway" plan. A Japanese electronics executive who attended the meeting to hear the details of the plan said: "I saw the real substance of the information superhighway plan." Private industry will establish the advanced telecommunications network, not a government. Governments will establish the framework for competition and later back up private industries' efforts to expand the network.

Speaking with Japanese correspondents after the ministerial conference, Minister of International Trade and Industry Ryutaro Hashimoto, who took part in the G-7 information summit, regarded the United States as playing "American football" and European nations as playing "soccer." What he meant was that the United States likes the American football game, in which players move only forward, while Europeans like a soccer game, in which players make complex moves. But the games share the same purpose—"the liberalization of the market."

What about Japan? Existing laws, enacted on the framework of the telecommunications industries, such as the Nippon Telegraph and Telephone Corporation (NTT) Act, the Kokusai Denshin Denwa (KDD) Act, the Wireless Telegraphy Act, and Cable TV Act, are encircling the industries with the regulations like a tangled net. The prospects for Japanese industries as future telecommunications business spreads around the world are not good.

Former Envoy on Security Treaty With U.S.

OW1503141695 Tokyo YOMIURI SHIMBUN in Japanese 14 Mar 95 Morning Edition p 18

[Article by Nobuo Matsunaga, adviser to the Foreign Ministry and former Japanese ambassador to Washington; from the "Disputed Point" column]

[FBIS Translated Text] With the end of the Cold War, the danger of another world war has gone. The Soviet Union, which was the biggest enemy of the free world, has collapsed and its military power no longer poses a major threat. During its moves toward democracy and a market economy, Russia has attended the political consultations of the G-7 at summit tallks and jointly issued a declaration on cooperation with the Organization for Economic Cooperation and Development (OECD).

I have often heard opinions of what the Japan-U.S. Security Treaty should be. Some ask whether, in the current international climate, Japan and the United States really need to maintain an alliance based on the Japan-U.S. Security Treaty? others ask whether it is it not time for Japan to reassess the security treaty to stop itself from being drawn into regional conflicts?

The important thing for Japan is to look squarely at the realities of international relations. For example, the Asia-Pacific region has registered rapid economic growth and moved toward political stability. Nonetheless, the region still has unstable factors.

Although the United States and North Korea have reached an agreement on the issue, it will take from five to 10 years to clear up suspicions about Pyongyang's nuclear weapons development. Five years may appear to be a short time, but no one can predict for sure what will happen in that period. No prospects can currently be seen for a resumption of Japan-North Korea normalization talks or the inter-Korea dialogue that is needed for stability on the peninsula.

Japan needs to do everything it can to promote cooperation with South Korea, friendship with China, improve relations with Russia, and strengthen relations with ASEAN. As a major prerequisite for achieving those goals, promotion of Japan-U.S. cooperation, especially support for the security treaty, is absolutely necessary.

Regional conflicts now frequently break out around the world, and behind them is the clash of political and economic interests, and the various historical, religious, ethnic and cultural backgrounds. The factor common to them is that they are triggered by an attack from a militarily powerful nation on another nation that is unable to militarily resisting.

It is clear, therefore, that a powerful alliance is the best deterrent to attack and aggression. The Asian region is unable to create a framework for its comprehensive security because of its diversity. I believe it is obvious that as a framework for Japan's security, the Japan-U.S. Security Treaty is the only option.

With the change in the international situation, the handling of Japanese diplomatic secrets, and the Japan-U.S. Security Treaty have become important tasks. Some may say that with the Cold War behind us, Japan need not keep such "secrets." Is their argument logical?

The purpose of diplomacy is, among other things, to protect national interests. The purpose of Japanese diplomacy is to secure a way for Japan to live and develop itself in the international community. Japanese diplomats need to work to promote friendship with other nations, and to keep secrets on their information-collection and negotiations. This has nothing to do with the changing international situation.

Protecting our secrets is not only the key to success in information-collection and negotiating, but is necessary to keep the secrets of our allies. Each nation, therefore, obliges its government employees to keep its secrets. If they are found to have failed, they are punished.

If government employees have no will or intention of complying with laws and regulations on the protection of secrets, nothing can be done. It a question of conscience and common sense.

Diplomats do not know what is happening in international relations when they are on vacation or play golf. It is important they keep themselves abreast of developments so that they can carry out their duties.

A few years ago, a weekly magazine article berated former Japanese Ambassador to China Michihiko Kunihiro. The article said: "The ambassador read confidential telegrams in his room in a Beijing hospital, and gave instructions to embassy staff. As an ambassador, who is obliged to keep secrets, his actions were improper."

Winning the trust of their host country is the key to successful diplomatic negotiations and information collection. Mr. Kunihiro unfortunately fell ill, but did not refuse to meet embassy staff. He judged he could carry on the work of diplomatic negotiations despite his illness, and our government undoubtedly endorsed his judgment. He won the profound trust of Chinese officials during the negotiations with them on the Japan-China Aviation Accord.

As the ambassador had already won the trust of the Chinese officials, he had to carry out his diplomatic duties around the clock, even in a hospital room. Although it was very tough on him, he felt obliged to carry out his diplomatic duties almost to the point of "exhaustion." He deserves our acclaim.

This is not confined to the Japanese embassy in Beijing. Each of the 4,800 Japanese diplomats around the world must learn from the attitude the Japanese ambassador to China took. It does happen that diplomats fall ill despite trying to stay healthy. Japanese diplomats, however, have never forgotten their obligation to keep secrets, even when they have been ill. Japanese diplomats "work around the clock" for Japan's national interests and I would like people to understand that.

Task Force To Review Large Store Law

OW1503143695 Tokyo KYODO in English 1331 GMT 15 Mar 95

[FBIS Transcribed Text] Tokyo, March 15 KYODO—The government's deregulation program will include a fundamental review of the law regulating large-scale retail stores within five years and also a trial for unmanned gas stations, ruling coalition sources said Wednesday [15 March].

The ruling coalition's task force assigned to fashion an action program for deregulations has put these steps into its report to be submitted to the government with support from the concerned ministries and agencies, the sources said.

The government plans to put together a five-year program for sweeping deregulations by the end of March.

Under the coalition's plan, the large-scale retail store law will be subject to a full review by fiscal 1999 and a trial for unmanned gas stations should begin in the same fiscal year, which starts in April 1999.

The restrictions imposed by the law, which has often been the object of criticism by Japan's trade partners as an obstacle to imports, will be further loosened, concerning in particular the curbs on business hours and days of large stores, while the procedure for starting up such stores will be simplified.

The new measures came in response to criticism from Japan's trade partners and from businesses that the steps contained in interim reports on deregulations announced last week by ministries and agencies were insufficient.

In the interim report, the Ministry of International Trade and Industry only called for a medium-term review in accordance with the changing environment surrounding Japanese distribution businesses.

While the United States and other trade partners as well as the government's deregulation committee urge scrapping, or at least a drastic review, of the law, small retail store operators, which enjoy protection under the law from larger rivals, are strongly opposed to such steps.

Sapporo Co-op Suspends Sale of U.S. Apples

OW1603043995 Tokyo KYODO in English 0407 GMT 16 Mar 95

[FBIS Transcribed Text] Sapporo, March 16 KYODO—A cooperative in Sapporo has suspended selling imported U.S. apples because it detected small amounts of thiabendazole, an insecticide banned in postharvest use in Japan, coop officials said Thursday [16 March]. Coop Sapporo found a trace of thiabendazole on 18 "Red Delicious" apples imported from the State of Washington in February, they said.

Coop Sapporo was scheduled to start selling 5 tons of U.S. apples beginning in late February, but it has suspended the sales.

Japan's Food Sanitation Law prohibits the use of thiabendazole except for citrus fruits and bananas.

U.S. authorities allow postharvest use of the insecticide as a substance to combat mold.

An official with the Health and Welfare Ministry's Food Chemistry Division said, "there is no threat because the insecticide spotted was only a small amount. But we intend to conduct a survey of U.S. apple producers."

Last month, the Tokyo metropolitan government and the Yokohama municipal government also said they found small amounts of thiabendazole on imported U.S. apples.

MOFA Official Comments on Yen Loan to Iran

OW1603121095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Mar Morning Edition p 5

[FBIS Translated Text] Touching on the issue of a possible resumption of Japan's yen loans to Iran, a move opposed by the United States, a top Ministry of Foreign Affairs official said on 15 March that "it is necessary to give this issue thorough consideration."

His remarks indicated the government intends to postpone the decision on resuming the loans for now, in effect continuing the freeze on such loans.

Regarding the fact that the U.S. government has decided to order Conoco Inc., a U.S. oil firm, to suspend an Iranian sea bed oil field development project, the same official said: "This action will have no direct effect on the Japanese Government's decision on providing yen loans."

Noting, however, that the U.S. decision "reflects its very strong determination," he also hinted that, as Iran has been branded by the United States a supporter of terrorism, Japan will have to take the U.S. attitude into account.

The U.S. Government has repeatedly demanded since 1994 that Japan stop providing yen loans to Iran. In early March, the government sent Nobuo Matsunaga [a former ambassador to Washington] to Iran as the government's representative and asked him to collect information on Iran's views through talks with Iranian President 'Ali Akbar Hashemi-Rafsanjani and others.

Disclosing that he had received a report from Matsunaga, the same official pointed out: "There still remain very difficult problems before we make our judgment."

He seemed to indicate it is still too early go ahead with the decision to resume loans.

Mubarak Ends 4-Day Official Visit in Tokyo

Holds News Conference

NC1603084095 Cairo MENA in Arabic 0725 GMT 16 Mar 95

[FBIS Translated Text] Tokyo, 16 Mar (MENA)—President Husni Mubarak has expressed great satisfaction with the results of the talks he has held with ranking Japanese officials. He said that we now stand on the threshold of a new age in relations between the two countries.

He pointed out that agreement was reached with Japanese businessmen on the need to increase participation in economic activities in Egypt and to bolster joint cooperation in the fields of production and investments.

In a news conference he held before leaving Tokyo today at the conclusion of his visit to Japan, President Mubarak praised the role Japan played in resolving the Middle East problem. He pointed out that Japan participates in many activities to bolster the peace march, such as hosting the negotiations of the joint committees stemming from the Madrid conference.

President Mubarak once again affirmed Egypt's firm stance on turning the Middle East into a region free of nuclear weapons. He said that we cannot accept having such weapons at a time when we are signing peace agreements and paving the way for a comprehensive settlement in the region. In this regard, he denied the possibility that Egypt will start setting up a nuclear program in the case where Israel refuses to sign the Nuclear Nonproliferation Treaty [NPT].

President Mubarak also affirmed that the wave of extremism in Egypt has been contained to a large extent. There are only a few limited criminal activities taking place.

The president asked the international community to look for ways to alleviate the suffering of the Iraqi people as a result of the international siege imposed on them. He pointed out that Egypt and Iraq have been linked with each other by good relations for a long time. Currently, there are some Egyptians working in Iraq.

At the beginning of the news conference, President Mubarak expressed his appreciation for the great welcome he was accorded by the Japanese people and leadership. He said: I was very happy during my meeting with his majesty the emperor and Prime Minister Tomiichi Murayama.

He added: The discussions I held with the prime minister and his colleagues were a source of great satisfaction for us since they took place in an atmosphere of friendship which characterizes the distinguished relations between the two countries.

He said: Today, we stand on the threshold of a new age of Egyptian-Japanese relations. The possibilities are great for expanding the scope of cooperation in all fields.

President Mubarak said: We are determined to exert our utmost efforts to develop this cooperation in the political, economic, and cultural fields. In order to achieve this objective, talks with the prime minister addressed some specific ideas and proposals. It pleases me to say that we felt a great deal of understanding from the prime minister and his colleagues.

He pointed out that the meeting with the society of leading businessmen was very satisfactory. He said: We agreed on the need to bolster the role of the private sector and increase its participation in economic activities, as well as to bolster cooperation in the field of industrialization, investment, and technology transfer.

President Mubarak said that the society of the leading Japanese businessmen realizes the possibilities of cooperation, which will be beneficial to the two countries. We support Japan's greater involvement in today's and tomorrow's worlds.

He affirmed that the Japanese role deserves a great amount of appreciation, whether in the peace-keeping activities in the Middle East and other parts of the world, or through the multilateral talks on the environment and economic cooperation.

Answering a question on the political issues that were proposed for discussion with the Japanese officials, President Mubarak said that political and economic issues are two sides of the same coin in today's world. There are no politics without economics and no economics without politics. Political relations pave the way for stronger relations in the field of economics.

The president noted that the joint communique issued by the two sides at the conclusion of their talks contains sufficient information about the economic relations between Egypt and Japan and that there is continuous joint cooperation between the two countries. In addition, many projects have been agreed upon which affect the man in the street.

Answering a question on the statement Israeli President 'Ezer Weizman made recently that Israel will not sign the Nuclear Nonproliferation Treaty [NPT] and on Egypt's stand regarding this matter, President Mubarak said: Let me tell you frankly that we cannot accept the presence of nuclear weapons in the Middle East at a time when we are signing peace treaties and paving the way for a comprehensive settlement and peace in all parts of the region.

On Japan's appreciation for Egyptian civilization and Japanese tourism activities in Egypt, particularly since Japanese media recently highlighted President Mubarak's presence amid Japanese tourists who visited Egypt, and regarding whether there were any Egyptian efforts to bolster Egyptian tourism and transfer Egyptian culture to Japan, President Mubarak said that cultural exchange between Egypt and Japan continues. Cultural relations between the two countries have existed for a long time. He noted that an Egyptian archaeological artifacts exhibition was recently held in Japan.

The president added that there are other cultural exhibitions that will be held in Japan. I believe that Egyptian and Japanese relations do not need any further definition, Mubarak added. There is a continuous increase in the number of Japanese tourists visiting Egypt and I did meet some of them recently in Abu Simbil on 3 March, he commented.

President Mubarak said he spoke with the Japanese tourists and they were very satisfied and felt very secure.

Answering a question on whether Egypt will start setting up a nuclear program for itself if Israel does not respond to President Mubarak's initiative to turn the Middle East into a region free of mass-destruction weapons, President Mubarak said that the existence of Israel's nuclear program does not mean that we will build our own nuclear program too. This is not the issue. The issue is to turn the region into a region free of mass-destruction weapons in the interest of the masses, not individuals. At any rate, we are currently holding talks with the Israeli Government so that we can reach a formula regarding this matter because we insist that the Middle East region should be free of all kinds of mass-destruction weapons.

President Mubarak added: This is what we called for in 1990 in Baghdad. Egypt previously called for this during the 80's and the 70's. This is our principle, but it does not mean that the response to it should be that we will produce our own nuclear weapons.

Answering a question on the role Japan could play toward stability and peace in the Middle East region, President Mubarak said that Japan plays an important role in many fields. Japan is a country that has status in the world on both the economic and political levels. It is one of the countries that support the Palestinian Authority, in addition to participating in projects that raise the standard of living of the Palestinians.

President Mubarak added: I have praised this role in many interviews I have given during the past few days. He clarified that Japan also takes part in many activities to bolster peace in the Middle East.

On whether Egypt is coordinating with Japan to acquire a permanent seat in the Security Council, particularly since there is talk now that Egypt and some big African countries, such as Nigeria and South Africa, are trying to acquire permanent seats in the Security Council to represent the African continent, President Mubarak said that it is premature to discuss this subject now.

Discussing the guarantees that the international community may provide or Israel may pledge if Egypt agrees to give it time regarding the nuclear weapons, providing a principled commitment to this effect is made, President Mubarak said that the negotiations on the nuclear issue are continuing with the Israeli party and that no final solution has been reached on this issue.

Asked about the stumbling blocks facing the peace process in the Middle East and ways of saving the peace process, President Mubarak said: As you know, Egypt was the country that opened the door of peace in 1977, when late President Anwar al-Sadat took his daring initiative to visit Israel. President Mubarak added: After negotiations we reached a peace agreement with Israel. After 14 or 15 years, the Palestinians began their negotiations [with Israel] and reached the Declaration of Principles with the Israeli Government. The Palestinian Authority [PA] was established and afterward Jordan signed a peace agreement [with Israel]. He said the talks are under way between Syria and Israel to achieve peace.

President Mubarak pointed out that Egypt exerted great efforts to resolve the Palestinian issue, which is the crux of the Middle East problem, noting that without solving the Palestinian issue, peace and the Middle East issue would have absolutely no meaning. Peace would not be stable without solving this issue. He noted that if obstruction of the peace process continues and the Declaration of Principles reached between the PA and the PLO and Israel is not implemented I fear that extremism will grow in the region, the number of terrorists will increase, and the region, Israel included, will pay a heavy price.

Asked about the extension of the nuclear treaty and whether he believes that the extension should be indefinite or for a limited period while negotiations with Israel over this issue continue, President Mubarak said: If we can at least guarantee that the regional countries, Israel included, agree to make the region a zone free of weapons of mass destruction, we will not be late in agreeing to extend the Treaty even indefinitely. He added: "We know, however, that Israel has not yet reached a solution and I do not believe that it will agree right now to join the Treaty." He said: Since we call for peace and are working to achieve it in the whole region after Israel reaches a solution with Syria, what is the sense in Israel being the only country that possesses all types of weapons of mass destruction, including the nuclear weapons.

President Mubarak stressed that there should be no exceptions in the nuclear issue. He said that if we are speaking of a region free of weapons of mass destruction, no country in the region should have these types of weapons. Here we are speaking of a period of time. The Treaty stipulates that the member countries meet every five years in Geneva to thoroughly survey implementation of the agreement—the countries that joined and those that will join. He said that despite these meetings being held every five years, they have emerged with no result regarding new membership. He added: "Therefore, we believe, and this is still under consideration, that extension of the Treaty indefinitely requires an assurance that all the parties without exception will join it. Otherwise the countries with nuclear capabilities will always remain nuclear and the non-nuclear ones will remain so forever. This is unacceptable.

Asked about the al-Firdan Bridge project that will be established over the Suez Canal and Japanese financial aid to Egypt and the Middle East in general, President Mubarak said the aid that Japan offers is in the form of projects and that Egypt does not receive financial aid. He said agreements are reached on these projects with the Japanese party according to Egypt's priority and Japan's assessment. Regarding the plan to build the bridge, President Mubarak said the bridge that will be built over the Suez Canal will be regional, not just a bridge for the Egyptians to cross the delta to Sinai. This bridge will link Africa and Asia and travelers from Morocco, Algeria, Tunisia, Libya, and Egypt can cross the Suez Canal to Israel, Jordan, the Gulf countries, Iraq, and Turkey.

Answering a question on reports in newspapers and the media about problems in Egypt caused by what is called "Islamic fundamentalism" and "Islamic extremism," whether the security situation in Egypt is currently reassuring, and what the president's opinion is on the Algerian problem, President Husni Mubarak said that the expression "Islamic fundamentalism" is an insult to Islam. Islam is the religion of love and cooperation. It is a religion that is the same as all other divine religions.

The president added: As regards extremism and crime, it has nothing to do with Islamic fundamentalism, because none of the criminals who commit crimes of terrorism have any sound knowledge about Islam, even if they are Muslim. They are usually outlaws of Islam and the shari'ah.

President Mubarak affirmed that the wave of extremism in Egypt has decreased to a large extent and only a few criminal acts remain, and these are on their way to ending completely. He noted that these operations started after those who were called the mujahidin went to Afghanistan to fight the Soviet presence there. They acquired huge sums of money for doing what they did, so they stayed there and considered the operations they carried out their source of income.

President Mubarak said: However, after the war in Afghanistan ended and the Soviets withdrew, some other forces and rich people picked these mercenaries up and put them to use after paying them large sums of money to commit crimes in their countries and shake their stability. One of these countries is Algeria.

President Mubarak affirmed that this issue is in the process of being contained. He expressed his belief that terrorism in Algeria cannot increase more than its current level and that with the whole situation there, it is just a matter of time.

President Mubarak expressed his belief that the Algerian people will not accept what is happening now and that the government is capable of resisting this spread in Algeria and all other Arab countries.

President Mubarak jokingly told the Japanese reporter who asked him a question on the topic: If you want to be reassured about the security situation in Egypt, come and visit Cairo and see how nothing will happen to you.

The president added that U.S. Secretary of State Warren Christopher visited Cairo recently and went for a walk without any bodyguards along the Nile promenade. He clarified that these operations which took place in Egypt were a temporary phenomenon which has been dealt with firmly and which has ended. Those who carried out these operations are not considered Muslims. We consider them criminals and murderers because they kill innocent people who are defenselessly walking down the street, looking for a way to make a living.

President Mubarak added that since late 1992, there have been only five foreign victims of these criminal operations. They died coincidentally, not because they were targeted.

Answering a question on whether he had held talks with officials in Japan on Japan's participation in the peace-keeping forces in the Syrian Golan Heights, President Mubarak said that this issue is premature and should not be discussed until after the Syrians and Israelis reach agreement and discuss the details of security measures. If Japan participates in the peace-keeping forces in accordance with its laws and Constitution, then we welcome such participation. He expressed his belief that Syria would also welcome the same. However, he said they did not broach this issue during their talks.

Asked about Egypt's stance on disarming Iraq, the future of Egyptian-Iraqi relations, and Egypt's stance on the economic blockade of Iraq, President Mubarak said that good ties and friendship have linked Egypt with Iraq for some time and there are Egyptians still working in Iraq. He noted: If we are talking about Iraq with weapons of mass destruction in mind, I would like to say that when I declared that the Middle East should be a zone free of weapons of mass destruction, it was in Baghdad, and Iraqi President Saddam Husayn was standing near me. He agreed to this and we discussed the issue before I declared it. President Mubarak said he believes that Iraq has joined the nuclear treaty, but it went ahead with its nuclear program behind the world's back, and no one knew anything until after the Gulf war.

Regarding the economic blockade, President Mubarak said that Egypt believes the Iraqi people are the real victims of this blockade and that the world and the international community should find a way to remove the suffering of the Iraqi people, who are not to blame for what happened. He said the Iraqi people need food, medicine, and work, noting that, after all, they are an Arab people and part of the Arab nation. If their leadership made mistakes, the people must not be punished for them. Therefore the international community must find a way to remove the suffering of this people.

Asked about Japan's intention to resume loans to Iran, and U.S. worry over this issue, President Mubarak said: This issue concerns Japanese-U.S. relations, and I believe that Iran must also comply with the nuclear treaty.

Departs From Tokyo

OW1603031395 Tokyo KYODO in English 0247 GMT 16 Mar 95

[FBIS Transcribed Text] Tokyo, March 16 KYODO—Egyptian President Hosni Mubarak departed from Tokyo's Haneda Airport on Thursday [16 March] morning at the end of a four-day state visit to Japan.

During his stay, Mubarak won pledges from the Japanese Government of a total of 1.21 billion yen in aid and a resumption of trade insurance coverage.

While in Tokyo, Mubarak met Emperor Akihito and Empress Michiko, Prime Minister Tomiichi Murayama, the heads of both houses of the Diet, and business leaders.

Support Rate for Murayama Cabinet Declining

OW1603110895 Tokyo MAINICHI SHIMBUN in Japanese 15 Mar 95 Morning Edition p 1

[FBIS Translated Text] A recent nationwide poll by MAINICHI SHIMBUN has found that the support rate for the Murayama cabinet has dropped two percentage points to 27 percent from the previous survey, and the disapproval rating has increased nine percentage points to 34 percent. This is the first time since the inauguration of the government that the disapproval ratio has exceeded the support rate. As reasons for not supporting the cabinet, most of the people surveyed said, "Because Murayama lacks leadership." Fifty percent of the pollees predicted that "the cabinet will last for only another six months or a year." The results appear to indicate that the general public no longer has a favorable impression of the Murayama government and they have begun to view the cabinet with a critical eye. In the recent survey, which was conducted by interviewing the people, the percentage of those who "do not support any particular political party" reached 51 percent for the first time since MAINICHI SHIMBUN began this nationwide poll. This indicates that more and more voters have lost interest in political parties.

The approval and disapproval rates the Murayama government obtained in the latest poll are almost the same as those gained by the Suzuki cabinet (which was inaugurated in July 1980 and fell in November 1982) in a survey in April 1982.

Broken down by gender, 30 percent of male respondents and 25 percent of female pollees supported the Murayama cabinet. By generation, 16 percent of those in their twenties approved of the cabinet, while it was 35 percent among those in their sixties, indicating the younger they are, the less support people give to the government. The disapproval rate among those in their thirties was 41 percent, the highest compared to other generational groups. By occupation, the disapproval ratings among those in managerial or executive posts and among students exceeded 40 percent. This indicates that the disapproval rate is high among those who have a higher education.

Asked why they give low marks to the Murayama government, 53 percent said, "Because the prime minister lacks leadership." The figure is a 15 percentage-point up from the previous survey. The percentage of those who raised the government's inadequate economy- boosting measures was 32 percent, a three percentage-point increase from the last poll. Meanwhile, as reasons for not supporting the government, as many as 72 percent said, "Because Murayama lacks leadership." It seems the results are a reflection of the public dissatisfaction with the government's response to the Hanshin earthquake, its economic policies such as pump-priming measures and efforts to stem the appreciation of the yen against the dollar, and Murayama's failure to exercise leadership in the ruling coalition and the Social Democratic Party of Japan [SDPJ].

In the recent poll, the approval rate given by SDPJ supporters fell five percentage points from the previous 70 percent. The decrease is the largest compared to those in other political party supporting groups. Meanwhile, the disapproval rate given by a group which does not support any particular political party increased nine percentage points from the previous 24 percent. This pushed up the overall disapproval rating.

The approval and disapproval rates in the quake-stricken Kinki region were 21 percent and 40 percent, respectively. The support rate is lower compared to other regions.

Ruling Coalition Divided Over DPRK Mission

OW1603104295 Tokyo NIHON KEIZAI SHIMBUN in Japanese 12 Mar 95 Morning Edition p 2

[FBIS Translated Text] The ruling coalition has suddenly decided to send a delegation to the DPRK (North Korea) because its interests have conformed to those of the DPRK. While the DPRK seeks Japan's financial assistance, the ruling coalition wants to secure a channel for direct dialogue with North Korea before Japan provides a large amount of funds to the "Korean Peninsula Energy Development Organization (KEDO)," which is designed to help North Korea introduce light-water reactors. However, there are conflicting views among the ruling parties over the handling of the tripartite joint declaration signed by the Liberal Democratic Party [LDP], the Social Democratic Party of Japan

[SDPJ], and the Workers' Party of Korea [WPK] in 1990. One of the agreements in the declaration is that Japan will pay North Korea "compensation for the North Korean people's suffering during the colonial rule and for losses after the war." For this reason, the ruling coalition's coordination will possibly face rough going until the last moment.

Pointing out the deteriorated food conditions in North Korea, a senior LDP member said on the morning of 10 March: "While North Korea has asked Japan for financial aid, including a free supply of rice, it has not demanded the confirmation of the joint declaration of the three parties." He thus indicated that the joint declaration would not hinder the dispatch of the ruling coalition delegation to North Korea.

The LDP had negotiated with the WPK on the issues behind the scenes. LDP Secretary General Yoshiro Mori successively met with Sakigake [Harbinger Party] Secretary General Yukio Hatoyama and SDPJ Secretary General Wataru Kubo on 10 March to ask for their cooperation.

In the meeting with Kubo, Mori referred in concrete terms to the selection of delegation members, saying: "We hope to send a delegation headed by former Deputy Prime Minister Michio Watanabe to North Korea." He added that "North Korea will probably send an official invitation as early as next week."

Kubo did not give a prompt answer, but stated that the "party would like to decide how to handle the issue after holding intraparty consultations." However, he showed a positive stance at a subsequent news conference, saying: "The resumption of negotiations between the two governments is necessary to promote the normalization of diplomatic relations. If the three ruling parties can send a delegation, this is desirable."

However, the gap between LDP and Sakigake, and the SDPJ, remains large. For example, while the LDP has shown confidence in "shelving" the joint declaration, some SDPJ members have maintained that if a delegation is sent to North Korea, the joint declaration should be confirmed.

Watanabe, who was asked by Mori to head the delegation, has indicated a readiness to become the delegation leader. However, he has also stated he will "accept the offer on the assumption that the joint declaration will not be mentioned." Sakigake representative Masayoshi Takemura served as director general of the 1990 LDP-SDPJ delegation to North Korea and was deeply involved in working out the joint declaration. Despite this fact, Sakigake has emphasized that "it is impossible for the current ruling parties to accept it as it is," (as stated by a senior Sakigake member).

On the other hand, the SDPJ has stuck to the position that "since the joint declaration was signed by respectable and responsible persons from the LDP, the SDPJ, and the WPK, representing these parties, the fact should be properly recognized," (as stated by Kubo). There is dissatisfaction within the SDPJ that the plan to send a delegation to North Korea was promoted without prior consultations with the SDPJ, which has a friendly relationship with the WPK, and that the party arbitrarily touched the selection of the delegation leader.

SDPJ Opts Out of Mission

OW1603082795 Tokyo KYODO in English 0741 GMT 16 Mar 95

[FBIS Transcribed Text] Tokyo, March 16 KYODO—Leaders of the Social Democratic Party [of Japan] (SDP) [SDPJ] agreed Thursday [16 March] the SDPJ will not take part in a plan to send a ruling coalition mission to North Korea to try to restart stalled talks on establishing diplomatic relations.

SDPJ leaders also decided to entrust matters concerning plans for the mission to secretary general Wataru Kubo, party officials said.

Meeting earlier Thursday with the party's central executive committee, Kubo suggested that participation in the mission should be postponed since Pyongyang's intentions regarding the coalition's visit is unclear.

He told the committee that he met Wednesday with Ho Chong-man, vice president of the pro-Pyongyang General Association of Korean Residents in Japan (Chongryun) and suggested seeking a new declaration to replace the controversial 1990 statement.

Kubo expressed uncertainty earlier this week over whether the Workers Party of Korea (WPK), Pyongyang's ruling party, will agree to abandon the 1990 declaration that was signed by the WPK, the SDPJ and coalition partner Liberal Democratic Party.

The 1990 declaration called on Japan to pay compensation for losses inflicted on the Korean people during its 1910-45 colonial rule and postwar period.

Kubo suggested that a disagreement with Pyongyang over scrapping the statement would damage efforts to normalize diplomatic ties, the SDPJ officials said.

Editorial Views Mission Plan

OW1603110295 Tokyo ASAHI SHIMBUN in Japanese 15 Mar 95 Morning Edition p 5

[Editorial: "What Needs To Be Done Before a Delegation Is Sent"]

[FBIS Translated Text] The ruling parties are playing an act of rivalry in love over the question of sending a dietmen's delegation to the DPRK (North Korea).

The reason for sending the delegation given by the Liberal Democratic Party [LDP], which is pushing the dispatch plan, is that, since the Korean Peninsula Energy Development Organization (KEDO) has been activated, now is the time to look for a way to resume the normalization talks with the DPRK which have been suspended for two years. Another reason is that, in order to obtain the understanding of taxpayers on providing funds to KEDO, the starting of a dialogue with North Korea would be essential.

On the matter of a relationship with North Korea, contacts by dietmen have played a big role, even in the past. A delegation to North Korea five years ago of LDP and Social Democratic Party of Japan [SDPJ] members, led by Shin Kanemaru and Makoto Tanabe, opened a way for the government-to-government negotiations even though the delegation was criticized for having left its stand on such issues as nuclear arms unclear and ambiguous. The dietmen's efforts remain an effective diplomatic tool.

Still, the dispatch plan leaves so many things unclear. Meanwhile, it can be said that the delegation to the DPRK, composed of only the ruling parties' dietmen, will have much greater diplomatic impact than the Kanemaru-led one had.

We would like to warn sternly against sending a delegation in haste. Judgment on whether to send one now should be made only after having studied the following points fully:

First, what is the real intention of the Workers' Party of Korea [WPK] in inviting the delegation at this time, and what is the LDP's understanding of it?

The invitation from WPK Secretary Kim Yong-sun does not touch on the three parties' joint declaration issued at the time of the Kanemaru-led delegation's visit to the DPRK, the contents of which that country has so far insisted should be the basis of Japan-DPRK negotiations.

Since that declaration refers to "compensation" not only for the period of Japan's colonial rule of Korea, but also for the post-war period, some LDP members are strongly opposed to it, and Michio Watanabe, who has been informally named to head the group, is among them. The question is whether or not this invitation indicates any change in the basic stand of North Korea.

If it does not indicate any change, then it is possible that dialogue between the delegation and North Korea will break down. The event could thus become an opportunity to show to North Korea the rift existing between the SDPJ, which regards the declaration as important, and the LDP, which does not. The LDP needs to explain to the people about this important question before it sends the delegation. The party must adjust its views with the SDPJ as well.

We think the LDP should also make public what has been achieved in the informal contacts it has made with North Korea so far.

Second, what is to be done about the issues which have been impeded the normalization talks? What brought down the Japan-DPRK talks was the issue of a missing Japanese woman in connection with the bombing of a Korean Airline passenger plane. The great gap in understanding on the basic issue of "compensation" was another reason. It is imprudent to enter talks with North Korea without a clear consensus within the LDP, not to mention a consensus among the ruling parties.

Third is the problem that the delegation is not sure what stand it should take on the KEDO issue. With the deadline for concluding a contract coming next month, KEDO's negotiations with North Korea, which does not want ROK-type light-water reactors, are expected to experience rough sailing.

Some observers think that North Korea may try to shake up Japan over this question when the delegation arrives in the country. The reason ROK President Kim Yong-sam expressed his concern to Prime Minister Murayama about the delegation was probably due to this possibility.

Now, Japan's policy toward North Korea has come to bear the character of international policy. Japan's focus of diplomacy is not only on the resumption of the Japan-DPRK normalization talks. As such, the public is asking what Japan's policy can do in urging North Korea to compromise with KEDO and to improve relations with South Korea, and in assuring the security of the Korean peninsula by removing the suspicion of nuclear arms.

In choosing Watanabe to head the delegation, we can see the hidden political meaning of the LDP wanting to take in its rightist group. We have nothing to say about the party's desire to be able to act promptly when there are signs of subtle change in North Korea. But this whole question of sending a delegation to North Korea is too important to be considered only in the dimension of intraparty politics.

Full Deregulation Plan Set for End of Mar

OW1603094395 Tokyo KYODO in English 0901 GMT 16 Mar 95

[FBIS Transcribed Text] Tokyo, March 16 KYODO—Japan will strive to nail down a substantial five-year program on deregulation by the end of March so as to meet domestic and international expectations for such action, a government spokesman said Thursday [16 March].

"With the ruling parties and the government working as one, we will try to finalize our program by the end of this month," Chief Cabinet Secretary Kozo Igarashi said at a news conference.

Igarashi made the remark in response to U.S. Trade Representative Mickey Kantor's openly voiced dissatisfaction with Tokyo's interim report on deregulation, which was released last week.

The five-year plan is intended to fulfill Japan's de facto international pledge to restructure the nation's economy through relaxation of administrative rules and regulations, thereby helping to slash its huge trade surplus.

The midterm report has drawn criticism from the United States and European countries, because it was seen as lacking in fresh items for deregulation.

Need To Revise Broadcast Laws Emphasized

OW1603063595 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Mar 95 Morning Edition p 13

[Part three in series: "Telecommunications Industry Is in Danger"; this installment entitled "Contradiction Expands Between Regulations and Reality; Merger Between Communications and Broadcasting Companies"]

[FBIS Translated Text] **Government Discards Call for Suspension of Classification**

The fence between the two projects—"communications" and "broadcasting," which are stipulated by the Broadcast Act—has begun to crumble. An expansion of service by using communications satellites (CS) is the driving force behind the collapse.

There was a skirmish between the CS television stations and the Ministry of Posts and Telecommunications [MPT] last November. A council—which is composed of broadcasting corporations which air special programs, including J-league [Japanese professional soccer games], rock music, and CNN news—submitted to the MPT a 12-item request for easing regulations. But, the MPT gave the council "guidance," saying: "The request has to be resubmitted, reducing the items to five." The MPT is saying that "it was not a request prepared by all the members of the council." However, it is certain that there was tension between the business circles and the administration side.

Of the seven requests, which were discarded, the most important was that for "ending the practice of separating communications from broadcasting on the basis of the receiving apparatuses they use." Following technological improvement, new businesses started by combining communications and broadcasting services, including cable television's telephone service and pager (wireless caller) communications which use FM frequencies. For the CS, however, there is a sharp distinction between communications and broadcasting. Receivers are also divided into two categories.

Subscription television, which started service last October and is unexpectedly gaining popularity, for exclusive broadcasting of horse races falls under the category of "CS communications." But, other television, which broadcast movies produced by Japanese filmmakers, including Shochiku Co. Ltd., is under "CS broadcasting." Both the CS communications and CS broadcasting stations broadcast special programs for specific viewers and use the same satellite. Nevertheless, it is hard for them to expand their business for general viewers unless they are approved by the MPT as a CS broadcasting station.

Article three of the Broadcast Act (on principles of political fairness, and public order and morals) will be applied if they are classified as broadcasting stations. Under the article, broadcasting companies need to have a program screening council and have to apply for government approval if they want to change the viewership fee. Needless to say, the article prohibits stations from broadcasting X-rated movies or programs supporting a particular political party. Also, it will be difficult for them to attract new viewers by saying that "the subscription fee will be reduced during a campaign period."

A top official of a CS television is calling for easing the regulations, saying: "We are like publishers of technical magazines. We want the government to allow us to conduct freer business practices than the existing stations." Late last fall, Japan Satellite Systems, which plans to start 50-channel broadcasting service by using digital compressing technology, asked the MPT to "make a fundamental review of the Broadcast Act." The main point of the request was to call for liberalization of political and other channels targeted at specific viewers.

Cable TV Aims To Start Using a Wireless Service System

Contradictions between reality and business laws grow as time passes. The case of cable television is no exception. The Japan Cable Television League formed a council for research into wireless cable television in September 1994. It is a concept designed to use a wireless network between a station and viewers instead of a highly expensive cable circuit. "In Hong Kong, the wireless system is widely used. We can lower the subscription fee if we are allowed to use a wireless system. We would like to actively promote the use of the wireless system after this summer," said a president of a cable television station, which is a central member of the council.

'Opposition' From Other Ministries and Agencies

However, the Cable Television Broadcast Act categorizes cable television as a "line telecommunications transmitter." An MPT official in charge of wireless communications warned: "They will be treated as terrestrial television stations if they use a wireless system. They should not forget the original intention they held when they were licensed as cable television stations." So far, there is no sign of the MPT making active moves to allocate radio wave frequencies to cable television stations.

Such legislative opposition is not an issue peculiar to the MPT.

The Ministry of Finance's [MOF] notice regarding financial automation...[ellipses as published] This is a notice the MOF issued regarding a new banking system designed to allow customers conduct bank transactions at home. Currently, the MOF regulation stipulates that such banking practices should be "done in principle during banks' business hours." This restriction reduces the convenience of the system to about half.

"We hope the National Treasury will subsidize the health-related projects, which are being promoted on the basis of the law for the health of the elderly. We hope that services the elderly can receive via videophone while remaining at home will be subsidized, too," said Toshiko Kunimitsu, director of a health and welfare center for the elderly who is promoting a trial health care project by using a videophone in Itabashi Ward, Tokyo.

Kunimitsu is conducting the trial project by collaborating with the Tokyo Medical and Dental University and other institutions. So far, she has not received a subsidy from the National Treasury. She points out "Our services will not last long if we depend on volunteers." However, the Ministry of Health and Welfare, whose jurisdictions are covered by the law for the health of the elderly, coldly said: "No decision has been made yet on its future course."

The New Staple Food Control Act, which the Ministry of Agriculture, Forestry, and Fisheries submitted to the Diet, was approved last 8 December. It will take effect this fall. Under the new law, it will be possible for retailers to conduct nationwide rice sales to consumers who want to shop from home. However, rice wholesalers will still be restricted to business within their prefectures. Nationwide business has not yet been approved for wholesalers.

Kasumigaseki needs to review all types of "business practices" as technology improves.

No Plans Seen To Ease High-Yen Debt Burden

OW1603061995 Tokyo KYODO in English 0533 GMT 16 Mar 95

[FBIS Transcribed Text] Tokyo, March 16 KYODO—Japan has no plans to ease the debt burden on yen loans to China and other countries arising from the stronger yen, a senior Foreign Ministry official told the House of Councillors Foreign Affairs Committee on Thursday [16 March].

Hiroshi Hirabayashi, head of the ministry's Economic Cooperation Bureau, said many of the yen-based loans are scheduled to be repaid over 30 years, adding no arrangements have been made to make adjustments due to changes in the yen-dollar exchange rate.

"We sympathize, but we should respond by taking a long-term perspective," he said.

Last week, Chinese foreign trade officials called on the Japanese Government to help alleviate the debt burden arising from yen-based loans, which when committed to China were worth some 10 billion U.S. dollars but with the strengthened yen are now worth 16.8 billion dollars. Hirabayashi suggested it is "not a good idea" to reduce the debt burden, saying, "within the cooperation of macroeconomic management and the global economy, we expect the strong yen to be corrected and eliminated."

Japan has extended three batches of loans to China with a total value of 1.68 trillion yen, and a fourth two-year batch to begin in 1996 was agreed on last year for another 580 billion yen.

The Foreign Ministry's basic policy has been not to accept the Chinese request for easing the debt burden since Japan would likely face similar requests from other recipient developing countries.

Japan's yen loans, initially furnished in 1979, are repayable over 30 years, including a 10-year grace period, at annual interest rates of about 3 percent.

Saito Voices Concern About Yen's Rise

OW1603093095 Tokyo KYODO in English 0916 GMT 16 Mar 95

[FBIS Transcribed Text] Tokyo, March 16 KYODO—Vice Finance Minister Jiro Saito expressed grave concern Thursday [16 march] about the yen's renewed advance against the dollar on foreign exchange dealings.

Saito said at a press conference, "I'm very worried about today's rise of the yen after a brief lull, which was far from our economic fundamentals."

In the Tokyo currency market Thursday, the dollar fell back below the 90 yen line, being quoted at 89.76-79 yen at 5:00 P.M., after hovering above the 90 yen level over the past few days.

Saito said the ministry will take appropriate action by carefully judging how long the present situation will last.

Japan has continued to maintain close contact with the monetary authorities of other nations in order to take appropriate action on the currency issue, Saito reiterated.

Asked about the possibility of international coodination in monetary policy, Saito said, "the matter of interest rates, including the official discount rate, is under the exclusive jurisdiction of the Bank of Japan. But generally speaking, we want to take various measures in a timely and appropriate manner."

High Yen Said Causing Exporters To Struggle

OW1603110995 Tokyo KYODO in English 1049 GMT 16 Mar 95

[FBIS Transcribed Text] Tokyo, March 16 KYODO—The yen's latest surge against the dollar has dealt a severe blow to export activity by small Japanese companies, a survey showed Thursday [16 March] . The survey, conducted by the Ministry of International Trade and Industry (MITI) on March 8, showed that 75 percent of companies polled observed negative effects from the strong yen on their export performance in the past one month.

MITI polled 112 small and medium-size companies with an export ratio of 10 percent or larger one day after the dollar slipped below 90 yen for the first time.

The finding compares with 65 percent affected in the previous July 1994 poll, which was taken in response to the dollar's first drop below 100 yen at the end of July.

The 75 percent reading in the latest survey included those seeing "significant effects," which stood at 61.6 percent, said the survey, which covered 49 industrial areas across the nation.

In last year's survey, those significantly affected came to 53.3 percent while 2.9 percent said no effects are being detected and expected in the future.

In the March 1995 survey, however, no single company was on the optimistic side, MITI said.

A MITI official said, "the latest statistics reflect the very severe situation facing Japanese exporters."

The March survey revealed the latest yen surge has eroded export contracts at 76.2 percent of the polled firms.

Those forced to cut export prices stood at 46.4 percent, while companies which have incurred exchange losses came to 34.5 percent, the survey said.

It also said 14.3 percent reported cancellations of export contracts due to the strong yen.

Asked about break-even exchange rates, 22.3 percent, the largest group, answered such rates are in a 100-105 yen range, the survey said.

They were followed by 19.4 percent for a 110-115 yen range, 15.5 percent for a 105-110 yen range and 13.6 percent for a 120-125 yen range.

Only 11.6 percent said they could make a profit if the dollar was below 100 yen.

The survey said 66 percent expect their export activity to become unprofitable if the dollar is 105 yen or lower.

The dollar now trades at levels slightly below 90 yen. It hit a record postwar global low of 88.75 yen in Tokyo on March 8.

On possible steps against further yen rises to near 95 to the dollar, 25.0 percent said there would be no effective way to cope with such exchange levels, an outlook described by the MITI official as "shocking."

Those firms which said they would shift production overseas came to 17.9 percent, the survey said. In the previous survey, only 7.8 percent answered they would resort to such a step.

The largest group of 51.8 percent said they would reinforce domestic sales to deal with the high yen. That group was followed by 41.1 percent who said they were intent on creating new products, 37.5 percent who were taking further cost-cutting steps and 33.9 percent who said they were adding new value for product improvement, the survey said.

Those saying they would stop trading stood at 8.9 percent.

JISF Head Urges More Debate on Strong Yen

OW1603122095 Tokyo KYODO in English 1140 GMT 16 Mar 95

[FBIS Transcribed Text] Tokyo, March 16 KYODO—The chairman of the Japan Iron and Steel Federation [JISF] called Thursday [16 March] for "national debate" on what to do about the unprecedented strength of the yen which appreciated above 90 to the dollar again earlier in the day.

Deregulation alone, as proposed by the government, is not enough to deal with the strong yen, Hiroshi Saito told reporters.

National debate is needed to introduce direct countermeasures such as export restrictions, he said.

In a separate conference, Masahiko Furukawa, head of the Japan Petrochemical Industry Association, said Japan should carry out measures to correct the yen's appreciation, including those that could "bother" the United States.

With regard to a recent controversial statement by Kazuo Inamori, head of the Kyoto Chamber of Commerce and Industry, saying that Japanese companies should raise export prices in reaction to the yen's appreciation, Saito said the idea should be widely discussed along with other proposals including his call for self-imposed export restraints.

But Furukawa rejected Inamori's proposal, saying that companies linked to international market conditions cannot raise export prices even if they want to.

MOF Urged To Disclose Fiscal Data

952A0390A Tokyo EKONOMISUTO in Japanese 24 Jan 95 pp 44-47

[Article by Takahashi Oshio, associate professor of Ritsumeikan University: "Ministry of Finance (MOF) Monopoly of Fiscal Data Makes Fools of Private-Sector Economists"]

[FBIS Translated Extract]*Public disclosure of government fiscal data inadequate, despite expanded role played by government spending because of Heisei recession*

Continuation of Current Conditions Will Lead to Misguided Economic Forecasts and Fiscal Debate

Fiscal Data Gains in Significance

Currently, fiscal data is considered to be gaining in significance because of the following two factors:

First, the ability to accurately predict fiscal spending trends now controls the capability to predict future moves in the economy to a degree greater than in the past.

The severe, prolonged Heisei recession has finally ended while the Economic Planning Agency has declared that the economy bottomed out in October 1993 and has indicated that it is currently in a recovery stage. However, the economic recovery in this cycle is sustained by feeble private capital investments which normally serves as the engine of the economy, causing the recovery to be limited to a leisurely pace. That situation has led to a relative increase in significance of predictions concerning fiscal spending as a means of determining the pace of the economy.

Government spending as a component of calculations concerning the national economy include 1) Government fixed capital formation, 2) Ultimate government consumption spending, and 3) Increases in government inventory. Ever since the fiscal posture shifted to one of economic stimulus in 1992, the contribution made by government spending toward economic growth has increased in relative significance, while economic growth continued to slow.

Second, there has been a major change in the Japanese government's fiscal revenue and expenditure picture since the advent of the 1990's, and long-term fiscal management faces renewed challenges.

Fiscal revenues and expenditures, which serve as a basis for international comparisons, do not consist of the revenues and expenditures associated with the general account budget that is normally the focus of attention but is represented by combined "general government" revenues and expenditures of the central and local governments and the Social Security Fund. When this general government figure is viewed, Japan is the only country among the G-7 nations that has maintained a surplus. The reason is that a significant surplus in the Social Security Fund has offset deficits of central and local governments.

However, the commonly accepted view of a "Japan with fiscal surpluses" is currently showing signs of crumbling. General government account balances in fiscal years 1990 and 1991 were showing nominal GDP comparison surpluses of 3.5 percent but had fallen to a deficit of 1.1 percent in fiscal year 1993. That situation reflected a slowing of tax revenues and supplemental fiscal outlays to stimulate domestic demand, and this trend should be continuing past fiscal year 1994. In reality, the Organization for Economic Cooperation and Development (OECD) has predicted deficits of 2.0 percent for 1994 and 1.8 percent for 1995.

Flexibility in fiscal policy has declined sharply in this manner in the last two to three years. However, on the other hand, when we consider that a wide gap will persist between fiscal demand and available resources for the next several years and that a full-scale senior-citizen society will come of age, the probability is high that demand will continue for expanded fiscal spending. Accordingly, how we will establish our long-term fiscal posture is of greater importance than at any time in the past.

However, a troubling factor is that Japan's fiscal data is extremely murky. Thus, it is difficult to claim that fiscal debate is being conducted in an adequate manner. I would like to use the balance of this article to identify what is obscure with fiscal data by summarizing the facts into three categories.

"Plans" and "Estimates" Based on Obscure Grounds

First, the foremost issue is that adequate data is not furnished for use in debating future fiscal policy. As an example, the "New Public Works Investment Plan," prepared in October 1994, has a goal of achieving public works investments by projects worth 630 trillion yen from fiscal years 1995 to 2004, but the source of the funding has not been clarified. Further, neither the economic growth rate nor the rise in commodity prices that should be the basis for calculating the size of the projects has been clarified.

On the other hand, the MOF published *Mechanical Estimates Concerning Tax Reform* in May 1994 in connection with tax reform. The publication provided a quantitative clue for the debate on tax reform and can be recognized in the way of data disclosure. However, nothing has been clarified with respect to the basis for calculating social security-related expenses which is one of the most critical items included in the estimates. A major problem rests with the fact that the Ministry of Health and Welfare's estimate used in the "21st Century Welfare Vision" was applied in that publication without any modification.

Improving debate on long-term fiscal management dictates that data must be readily available to the degree feasible. Doing so will eliminate irresponsible demands for increases and in fiscal spending and tax reductions without any regard for fiscal burdens. Further, if errors are made in national policy decisions because of inadequate information, future generations will have to shoulder unnecessary costs.

Economic Effects Which Cannot Be Accurately Assessed

The second issue is that it is very difficult to measure effects of the fiscal policy. This difficulty emanates from the fact that the Japanese fiscal system involves the complex interlocking of the central government's general account and special accounts, prefectural fiscal programs, fiscal investment, and loan programs, and that it is difficult to grasp the overall picture. Specifically, some of the problems encountered are as follows:

From August 1992, the government launched collective economic measures that encompassed projects in excess of 10 trillion yen on three different occasions, but data was not furnished for use in anticipating the effects of such measures. The Economic Planning Agency did indicate measures will have the effect of boosting the real gross domestic product (GDP) by 2 percent. However, if the estimate was correct, the economic recession should not have been so severe. Further, from July to September 1992 to July to September 1994, fiscal spending has contributed only 2.3 percentage points of the real GDP growth. This contribution was considerably minor when one considers that total project measures launched in the past (amounting to about 45 trillion yen) have exceeded 9 percent of nominal GDP.

The foremost reason that the measures have not provided benefits relative to their size is the fact that the effects of supplementary fiscal investments and loans built into the measures have been overestimated. Fiscal investment mechanisms are fairly complex, and recent mention has been made of several system problems such as their substitute role for general account budgets ("fiscal conversion" of so-called fiscal investments). However, the foremost problem associated with macroeconomics is that the economic effects of fiscal investments are difficult to measure.

Simply put, since the Operation Division, Financial Bureau of the MOF must invest fiscal investment funds in the civilian sector even if loan ceilings for fiscal investments are not increased, a boost in the loan ceiling does not represent an increase in funds available to the markets. In other words, an increase in fiscal investments merely means that private-sector financial institution loans are substituted by government financial institution loans, which means the net effect on economic stimulation is limited. Needless to say, although there is the advantage that interest rates are low, and loan conditions are more flexible than those of private-sector financial institutions, such loans will probably have a limited effect in weak recessionary periods when the desire for capital investments is already weak.

Doubts about the economic effects of fiscal investments are increasing not only among Japanese private economists but in overseas areas as well. If the aforementioned distrust in fiscal investments are ill-founded, the government should conduct a debate on the economic effects of fiscal investment with greater clarity, and if it is a case where it feels fiscal investments have a limited effect, it should have described the effects of measures in the past in terms of more realistic estimates.

Predicting Government Spending Is Very Difficult Task

Finally, we will address a somewhat technical matter, but there is the issue of not being able to adequately discern the government's short-term expenditure trends based on the monthly statistical abstract. Overall trends in government spending are published in the quarterly GDP statistics (QE [quick estimation announced by the Economic Planning Agency]), but it is difficult to figure out what basis is used to produce those estimates. The unclear relationship between GDP statistics and monthly statistics is a problem which concerns Japanese statistics as a whole, but the manner in which the Economic Planning Agency estimates government spending on a GDP basis is a veritable black box.

It is especially difficult to discern trends in government fixed capital formation (public works investments) which fluctuate the most and which have a significant effect on economic trends. Statistics used by private economists as reference in estimating government fixed capital formation include the Ministry of Construction's *Statistics on Public Works Project Starts* and *Value of Contracts for Public Works Projects.* However, even the use of such data makes it difficult to produce figures that are close to GDP-based government fixed capital formation data.

In this connection, there is the major technical issue that government fixed capital formation is calculated on a progress basis rather than a start basis, but mention is made that that is the case because quarterly government fixed capital formation is calculated by multiplying the applicable fiscal year's initial budget and revised budget public works estimates with the historical average project progress rate. There are no means to verify the accuracy of this comment, but assuming it is correct, it basically becomes impossible to conduct a debate on the basis of the published data concerning the extent of progress and program balances of public works projects included in comprehensive economic measures of the past. In any event, we desire that the government provide a clear-cut explanation of how it manages information on progress made on public works investments as reflected in GDP statistics. [passage omitted]

Essential Points of Information Disclosure

As discussed in this article thus far, data that we should be aware of concerning fiscal matters is not necessarily readily available. However, issues concerning fiscal affairs are replete with matters that directly relate to the public's livelihood. We should become more active in our desire for fiscal data, and the government should become more aggressive in its disclosure of such data. Public disclosure concerning fiscal management is especially important in the following two respects:

First, we need to establish a perspective by which we establish an overall understanding of fiscal systems. Frequently, Japanese fiscal debate focuses solely on trends in the government's general account budget. Certainly, the general account budget represents the core segment of Japan's fiscal system and is important, but it represents no more than one-third of the overall budget picture represented by the general account, special account, government-affiliated agency, and local government fiscal programs. If fiscal debate is focused only on the general account, we face the increasing possibility that problem areas, such as "hidden debts" and "fiscal conversion" of fiscal investments, become increasingly difficult to see.

As an example, in the fiscal year 1995 budget published at the end of last year, government bonds to be issued as part of the general account budget will be 12.6 trillion yen or about 1 trillion yen less than for fiscal year 1994, but on the other hand, it is expected that the increase in "hidden debt" will exceed 3 trillion yen. This being the case, we lose almost all significance relative to changes in balances between revenues and expenditures in the general account budget.

The second point is the question of maintaining compatibility with the long-term outlook of the macroeconomy. Changes in fiscal posture have a major effect on the long-term growth pattern of the economy while the long-term outlook of growth and inflation rates has a considerable impact on fiscal revenue and expenditure balances. Accordingly, long-term fiscal programs and long-term economic programs are of a nature that dictates that they be discussed on the basis of the same quantitative framework.

However, this is not the case under current circumstances. The Murayama cabinet will initiate work on a new long-term economic program this year, but the current "Five-Year Program for an Affluent Nation" contains no quantitative discussion whatsoever as to the fiscal management premise used in depicting the growth of the Japanese economy portrayed therein. On the other hand, a look at the *Basic Plan for New Public Works Investments* and *Mechanical Estimate Concerning Tax Reform* reveals they contain no information at all on how they will affect the future growth scenario. There is a need for new long-term economic plans to reflect, to the degree feasible, a quantitative portrayal of long-term fiscal policy which is compatible with the growth scenario for the macroeconomy.

Reports Reflect Current Economic Status

MOF on Business Recovery

OW1603093295 Tokyo KYODO in English 0848 GMT 16 Mar 95

[FBIS Transcribed Text] Tokyo, March 16 KYODO—Major Japanese companies' business confidence continued improving during the January-March period, though at a slower pace, the Ministry of Finance [MOF] said Thursday [16 March] in a quarterly survey.

The February survey showed that the business sentiment index (BSI) for major companies for the January-March quarter rose to 8.4 from 6.5 for the October-December period of the previous survey in November, but lower than their earlier prediction of 14.7 for the fourth quarter of fiscal 1994.

A ministry official said corporate business confidence continued on the improving trend but the pace of recovery somewhat decelerated partly due to the Jan. 17 earthquake in western Japan.

The BSI, which represents the percentage of survey respondents experiencing improved business conditions minus those with deteriorated conditions, remained in the plus column for three consecutive quarters.

Major manufacturers posted an index of 14.6, up from 11.2 in the previous quarter but down from 17.4 predicted in the previous survey. Major nonmanufacturers scored 4.3, up from 2.4 in the preceding quarter but down from the projected 12.9.

In the February survey, the ministry polled 11,120 companies capitalized at 10 million yen or more, excluding financial and insurance businesses, and 9,273 firms or 83.4 percent responded. The ministry used the survey data as a basis to estimate figures for the 646,033 major companies.

On the other hand, smaller companies' business sentiment showed little improvement, especially those in Hyogo Prefecture, hard hit by the great Hanshin earthquake, with the BSI staying in the minus side, the official said.

Second-tier companies marked minus 2.0 for the January-March quarter, unchanged from the previous quarter but worsening from a plus 10.2 prediction. Small- and medium-sized companies saw a minus 9.2, slightly up from the previous minus 10.8 but down from a minus 1.6 forecast.

In Hyogo Prefecture, which had 179 respondents or 50.9 percent of the 352 polled companies, the BSI for second-tier companies stood at a minus 10.8, compared with the previous minus 4.0, and that for smaller companies stood at a minus 17.8, compared with the previous minus 12.4, the official said.

In other regions as well, the quake somewhat contributed to a slight setback in corporate business confidence, especially that of smaller companies in the textile, transportation and communication sectors, as distribution was in confusion, he said.

Some smaller service businesses like inns also indicated poorer conditions as people tended to refrain from entertainment just after the quake, he said.

Looking ahead, major companies predict 13.1 for the April-June quarter and 16.3 percent for the July-September period, with manufacturers expecting 17.6 and 19.7, and nonmanufacturers 10.1 and 13.8 respectively.

Second-tier firms forecast 8.8 for the next quarter and 14.1 for the following quarter, and smaller firms see minus 1.8 and plus 4.9.

On the labor side, the survey indicated that the amount of excess labor at major companies is shrinking, the official said.

The index of labor shortage minus excess labor at major companies came to minus 13.3 as of the end of March, compared with minus 13.4 as of the end of December.

The figure improved further to minus 8.4 for the end of June, and to minus 6.3 for the end of September.

On business problems, the survey found that "sluggish domestic sales" and "competition with other domestic firms" remained as the top two concerns.

But the percentage of those citing sluggish sales as a problem is on the decline, while that of those worrying about lower prices is increasing, the survey showed.

Money Supply Increases

OW1603094095 Tokyo KYODO in English 0904 GMT 16 Mar 95

[FBIS Transcribed Text] Tokyo, March 16 KYODO—Japan's benchmark money supply climbed 3.6 percent in February from a year before, its fastest growth since June 1991, the Bank of Japan [BOJ] said Thursday [16 March].

After topping 3 percent year-to-year growth in January, M2—cash, time and demand deposits—plus certificates of deposit (CDs) stood at 527.1 trillion yen in February, the central bank said in a preliminary report.

The broadest measure of liquidity climbed 4.0 percent from a year before to 1,057.3 trillion yen, the bank said.

Industrial Output Drops

OW1603082195 Tokyo KYODO in English 0738 GMT 16 Mar 95

[FBIS Transcribed Text] Tokyo, March 16 KYODO—Japan's industrial production in January decreased 1.5 percent from the preceding month in a downward revision from the earlier released 1.4 percent fall, the Ministry of International Trade and Industry (MITI) said in a revised report.

The seasonally adjusted production index for the mining and manufacturing sectors came to 93.3 against a base of 100 for 1990.

Harumi Takahashi, chief of MITI's statistics and analysis division, said the basic undertone of Japan's industrial production remains unchanged from the preliminary assessment.

The earlier report said output is "following a course of moderate upturn amid temporary ups and downs although it was partly affected by the Jan. 17 great Hanshin earthquake."

The quake paralyzed much manufacturing activity in Kobe and other damaged areas in one of Japan's key industrial zones.

The downward revision from the earlier report was attributed to "marginal deterioration" in all sectors, Takahashi said.

Shipments for the month, at the index of 94.2, slid 2.8 percent from December, a slight downward revision from a 2.7 percent drop released in late February, MITI said.

The inventory index rose 2.0 percent to 104.3, unchanged from the preliminary report.

The index of inventory-to-sales ratio increased 6.6 percent to 116.2, following the preliminary 6.3 percent rise, MITI said.

Takahashi said effects of the earthquake were observed in a marked 2.3 percent month-to-month decline in January for Japan's factory utilization index.

The index scored the first drop in four months to 86.1, Takahashi said, noting the figure translates into an actual utilization rate of 73.4, far lower than a high 88.1 in December.

On a year-to-year basis, the factory utilization index for January rose 4.7 percent.

Industrial production capacity for the reporting month remained unchanged from December but grew 0.1 percent from a year before, the first rise in 17 months, MITI said.

The upswing in capacity attests to smooth corporate inventory adjustment, Takahashi said.

Feud Between STA Chief, Bureaucrats Observed

OW1603103695 Tokyo YOMIURI SHIMBUN in Japanese 10 Mar 95 Morning Edition p 17

[By Yojiro Ikawa of the Science Department]

[FBIS Translated Text] Makiko Tanaka, director general of the Science and Technology Agency [STA], has been at odds with STA officials over Japan's space development programs. She criticized them by saying that "decisions were made out of my reach under the leadership of bureaucrats." Recently, their discord has greatly heightened over the issue of Japanese astronauts going on board U.S. space shuttles.

Japan's space development programs are promoted under the "Space Development Outline", formulated as the national policy guideline by the Space Development Committee, whose secretariat is set up within the STA.

Although Tanaka assumes the ultimate responsibility as chairman of the committee, she said: "I cannot communicate with bureaucrats well. I have a strong feeling that they are leaving me out."

Their discord has surfaced several times since she took office in June last year. When the National Space Development Agency of Japan [NASDA] failed to put its engineering test satellite "Kiku No.6" in orbit last summer, Tanaka blamed the bureaucrats. She said that she "was not satisfied with their explanation." She went home without giving any comments to the press.

Another conflict was over the preparation of the Japan-U.S. cooperation treaty on space development. Last fall, the United States requested that "if Japan wants to have Japanese astronauts go on board our space shuttles in the future, an agreement on compensation for losses caused by accidents should be made in advance."

The two countries plan to stipulate the following in the agreement: Since danger is always present in space development, the two countries will share the risks equally, and will not ask each other to make state-to-state reparations, if lives and expensive equipment are lost due to accidents. These conditions are a prerequisite for Mr. Koichi Wakada, a NASDA astronaut, for joining the flight scheduled for this fall.

It is natural to conclude an agreement like this to promote international cooperation in space development. However, it was difficult for Japan to accept this agreement because the Finance Act stipulates that "the right to demand compensation should not be abandoned, unless one wants to waive his right, which is permitted by law." If human lives are lost in accidents, the Japanese Government has no other choice but to pay, in advance, workmen's accident compensation insurance, and later, demand that the U.S. Government provide compensation. Under these conditions, a compromise plan has surfaced, suggesting that "the two countries should not abandon this right." Since the draft treaty needs to be submitted to the current Diet session before Mr. Wakada flies to the United States, Japan and the United States have begun coordinating final details of the draft.

Tanaka was outraged by the bureaucrats' bold move, saying, "Although we have not yet reached a conclusion, bureaucrats have proceeded with the coordination without consulting me." Last month, Tanaka issued a ministerial order to call back a senior STA official who had just landed in a U.S. airport to attend the bilateral consultations. In addition, she formed a task force to focus on this matter and solve the problem.

Due to the impasse at the consultations, the prospects for the STA submitting the draft treaty to the current Diet session, as well as the chances of Mr. Wakada joining the flight, have become slim. Many STA officials said: "Under the agreement, the United States must give up more profits than Japan. This treaty will not be disadvantageous to Japan." Some officials also said: "We have not ignored her. Other ministries and agencies also handle a matter of this importance without consulting ministers."

Officials of other ministries and agencies, who have cooperated with the STA in preparing the draft, are disgusted at the disagreement between Tanaka and the STA's bureaucrats. They wonder what will happen to the organization.

Tanaka said: "Mr. Wakada's may not be able to participate in the U.S. space project, Tokyo should continue to make efforts to reformulate space development strategies, in view of the financial difficulties resulting from the great Hanshin earthquake." She even showed her willingness to conduct an overall review. She believed that it is necessary to build a transparent decisionmaking system. The decisionmaking system in Japan's government organizations is difficult to understand. Various committees, which are supposed to be independent of ministries and agencies, are often criticized for being controlled by them.

Furthermore, Space Development Committee consultations are closed to the public. We welcome Director-General Tanaka's proposal to form a "visible system," if this opens the closed door of the administrative system for science policy, including the space development programs. Recently, it is being said that "bureaucrats have more power than politicians." In considering such a possibility, it is good that certain tensions exist between the bureaucrats and ministers.

However, it is still an important task for politicians to present concrete policies to bureaucrats so as to make full use of their ability and enthusiasm. It goes without saying that bureaucrats should cooperate with politicians, but they must have mutual trust in order to cooperate.

Upper House Reviews Credit Union Bailout Plan

Long-Term Credit Bank Chief Called

OW1603023095 Tokyo KYODO in English 0114 GMT 16 Mar 95

[FBIS Transcribed Text] Tokyo, March 16 KYODO—The Upper House Budget Committee has summoned Tetsuya Horie, president of the Long-Term Credit Bank of Japan (LTCB), for unsworn testimony Thursday [16 March] over a government bailout plan for two failed credit unions.

Former Bank of Japan (BOJ) Governor Yasushi Mieno will also appear for unsworn testimony over the matter in the afternoon.

The summons revolve around a controversial bailout plan mapped out by the BOJ for the two credit unions, Tokyo Kyowa Credit Association and Anzen Credit Bank, which fell into financial trouble because of slack lending.

Both Harunori Takahashi, former president of Tokyo Kyowa, and Shinsuke Suzuki, former president of Anzen Credit, testified to the Lower House Budget Committee on March 9 that the LTCB closely monitored their activities on deposits and loans by placing it under control.

The Upper House Committee panel is expected to clarify how deep the LTCB was involved in the alleged management of the two credit unions.

The LTCB was also once a main bank for property developer Eie International Corp., which Takahashi presides and which reportedly borrowed over 10 billion yen from the credit unions.

In a related development, the Finance Ministry and the Tokyo metropolitan government have submitted lists of the names of depositors and borrowers at the two failed credit unions to a closed Diet committee meeting.

Diet members asked for the lists of the names of depositors and borrowers of 100 million yen or more as of the end of November to be presented to Lower House Speaker Takako Doi.

The bailout plan, announced last December when Mieno was the BOJ governor, has come under fire for aiming to provide public funds to a new rescue bank that will take over the credit unions.

The two credit unions have already asked prosecutors to indict the former presidents on charges of breach of trust for providing loans to affiliated firms beyond legal limits while knowing the money could not be recovered.

Horie Denies LTCB Involvement

OW1603061695 Tokyo KYODO in English 0501 GMT 16 Mar 95

[FBIS Transcribed Text] Tokyo, March 16 KYODO—The president of the Long-Term Credit Bank of Japan (LTCB), denied in the Diet Thursday [16 March] that the bank was involved in the management of two failed credit unions at the center of a growing financial scandal.

In unsworn testimony at the Upper House Budget Committee, Tetsuya Horie said the LTCB had not placed the two credit unions, Tokyo Kyowa Credit Association and Anzen Credit Bank, under its control.

The LTCB had "not touched at all the management policies, participation in the boards of directors, or individual lending" of the two credit unions, Horie said, contradicting previous testimony in the Diet by the former heads of the financial institutions.

Horie was summoned to the committee as an unsworn witness to clarify the LTCB's relationship with the credit unions in connection with a controversial government bailout planned by the Bank of Japan (BOJ).

Former BOJ Governor Yasushi Mieno said in his unsworn testimony on the matter in the afternoon that he first knew the bailout plan in late November and announced it on Dec. 9. He insisted that the bailout scheme has nothing to do with the timing of his resignation.

Harunori Takahashi, former president of Tokyo Kyowa, and Shinsuke Suzuki, former president of Anzen Credit, testified to the Lower House Budget Committee on March 9 that the LTCB closely monitored their activities on deposits and loans by placing them under its control.

Answering questions from the Upper House Committee's chairman, Shigenobu Sakano, Horie said the LTCB extended as much as 380 billion yen to the property developer Eie International Corp., of which Takahashi is the president.

The LTCB started lending to the firm in 1986, mainly for overseas real estate projects, but the bank "has not been involved in plans and decisions of (the firm's) management," Horie said.

Horie said the LTCB sent personnel and extended funds to save Tokyo Kyowa, at the strong request of Takahashi.

On the bank's decision to stop supporting Eie International in July 1993, however, Horie stressed it was a scheduled withdrawal.

The bank turned down Takahashi's request for continued financial help for Eie, he said.

The LTCB proposed to Takahashi reconstruction of Tokyo Kyowa through a settlement with creditors, but Takahashi rejected the proposal, Horie said.

On the bailout plan for the newly established Tokyo Kyodou Bank to absorb the two credit unions, Horie said the LTCB decided to join the plan at the request of the Finance Ministry and the Bank of Japan.

Horie, however, denied that any politicians exerted pressure on the bank to join the bailout, which was announced last December when Mieno was the BOJ governor.

The bailout has come under fire for aiming to provide public funds to rescue the mismanaged credit unions, especially after it became known that the two institutions provided loans to firms run by relatives of politicians and that senior finance ministry officials had cozy relations with Takahashi.

Mieno said in his Diet testimony that he did not consult with Finance Minister Masayoshi Takemura or former Prime Minister Noboru Takeshita about the bailout scheme.

In a related development, the Finance Ministry and the Tokyo metropolitan government submitted lists of the names of depositors and borrowers at the two failed credit unions to a closed Diet committee meeting.

Diet members asked for the names of depositors and borrowers of 100 million yen or more each as of the end of November to be presented to Lower House Speaker Takako Doi.

The lists show that a company affiliated with Takahashi was the top borrower from Tokyo Kyowa, with loans totaling about 19.3 billion yen.

The new managements of the two credit unions have asked prosecutors to indict Takahashi and Suzuki on charges of breach of trust for providing loans beyond legal limit, knowing the money could not be recovered.

Mieno Testifies at Diet

OW1603085995 Tokyo KYODO in English 0826 GMT 16 Mar 95

[FBIS Transcribed Text] Tokyo, March 16 KYODO—Former central bank chief Yasushi Mieno added his voice Thursday [16 March] to calls that the Long-Term Credit Bank of Japan (LTCB) bears some responsibility for two failed credit unions at the heart of a growing scandal.

In unsworn testimony to the Upper House budget committee, Mieno said he feels Japan's leading long-term credit bank bears some responsibility for the credit unions' failure and that it should bear "an appropriate burden" in bailing them out.

He thus joined Finance Minister Masayoshi Takemura and the former presidents of the failed institutions in citing a major LTCB role in the affair, a role the LTCB head denied earlier Thursday.

Mieno denied reports that he and Takemura had met former Prime Minister Noboru Takeshita to discuss the credit unions or that any political intervention was behind the proposed bailout, which Mieno announced in December just days before his term as Bank of Japan governor expired.

He also deflected criticism of the central bank in the affair, saying he had no direct knowledge of the credit unions' difficulties at the time as they were supervised by the Tokyo Metropolitan Government, adding he had respected Tokyo's judgment.

He denied knowledge of a report that Tokyo and the LTCB originally planned to have the LTCB absorb the two credit unions.

Earlier in the day, LTCB President Tetsuya Horie denied in unsworn testimony to the committee that his bank had a hand in managing Tokyo Kyowa Credit Association and Anzen Credit Bank before their demise on aggressive real estate and other lending.

The former presidents of the credit unions testified under oath last week to a Lower Housie committee that the LTCB, the main bank of developer EIE International Corp. with which both credit unions were heavily involved, also closely supervised the two credit unions themselves and essentially took them under its control.

Mieno said the credit unions suffered the most reckless management of any financial institutions.

He said the LTCB bears responsibility for Tokyo Kyowa's lending to EIE International but that Anzen did not have close ties to LTCB. The loans were managed by Harunori Takahashi, who was president of both Tokyo Kyowa and EIE.

Takemura told the Upper House Committee Wednesday that the LTCB bears some responsibility for the mess, saying the bank had "some kind of relationship" with Tokyo Kyowa.

Mieno also testified that he had not expected the Tokyo government to back out of funding the bailout.

The metropolitan assembly put its expected burden of 30 billion yen in low-interest loans to the newly established rescue vehicle Tokyo Kyodou Bank on hold, leaving their disbursement up to the next Tokyo governor, who will be elected next month.

The bailout has come under fire for aiming to use tax money to rescue the mismanaged credit unions, especially after it became known that they lent to companies run by relatives of politicians and that senior Finance Ministry officials had cozy relations with Takahashi.

Mieno denied that central bank officials had close relations with Takahashi, adding he seriously regrets the public backlash spawned by the plan.

Saying he learned of the plan in late November, Mieno testified that the timing of his imminent retirement had no bearing on the Dec. 9 announcement, which he said he made as soon as possible after "wide-ranging" investigation with the Finance Ministry and Tokyo, made at the request of the metropolis, and getting the understanding of financial institutions that would be involved.

Mieno also said the fact that his son worked for some two decades for the LTCB had no bearing on the proposed bailout.

Instead, the rescue resulted from fear that letting the credit unions fail and paying off depositors would shake the trust of credit union depositors.

"A bankruptcy in the financial system is different from the bankruptcy of other companies," Mieno said, explaining that one failure could cause a rush of withdrawals that could devastate financial institutions still trying to dig themselves out from under the pile of bad loans left from the bursting of the late 1980s "bubble" economy.

Takemura has stressed that the proposed bailout, which would be the first such public rescue since 1965, is aimed at preserving the stability of the financial system more than at protecting depositors.

Earlier, Horie told the committee that the LTCB had "not touched at all the management policies, participation in the boards of directors, or individual lending" of the two credit unions.

Horie said the LTCB lent as much as 380 billion yen to EIE but that the bank "has not been involved in plans and decisions of (the company's) management."

Horie said the LTCB sent personnel and extended funds to save Tokyo Kyowa at the strong request of Takahashi. But he said he denied Takahashi's request for continued help and pulled out as scheduled in July 1993, adding Takahashi rejected an LTCB proposal to reconstruct Tokyo Kyowa through a settlement with creditors.

Horie said the LTCB decided to join the bailout plan at the request of the Finance Ministry and the Bank of Japan, denying any pressure from politicians.

In a related development, the Finance Ministry and the Tokyo Metropolitan Government submitted the names of major credit union customers to a closed Diet committee meeting.

Diet members asked for the names of depositors and borrowers of 100 million yen or more each as of the end of November to be presented to Lower House Speaker Takako Doi.

The lists show that a company affiliated with Takahashi was the top borrower from Tokyo Kyowa, with loans totaling about 19.3 billion yen.

The new managements of the two credit unions have asked prosecutors to charge Takahashi and Anzen Former President Shinsuke Suzuki with breach of trust for allegedly lending beyond legal limit, knowing the money could not be recovered.

MITI: Officials Had No Links With Takahashi

OW1603081095 Tokyo KYODO in English 0713 GMT 16 Mar 95

[FBIS Transcribed Text] Tokyo, March 16 KYODO—The Ministry of International Trade and Industry (MITI) on Thursday [16 March] denied reported links between high-level MITI officials and the former head of an ailing credit union at the center of a financial scandal.

Tomio Tsutsumi, vice MITI minister, said, "I have spoken with the eight MITI officials and had them explain to me about their reported connections with a person close to Harunori Takahashi."

"The questioning clarified there was nothing wrong with these people from the viewpoint of generally accepted moral standards," Tsutsumi told reporters.

The daily newspaper GENDAI [CONTEMPORARY ERA] on Wednesday disclosed a list of bureaucrats who have acquaintances with Kunio Kubota, a person known as a close friend of Takahashi, including the eight MITI officials.

Takahashi, the former president of bad debt-ridden Tokyo Kyowa Credit Association, has been under fire for his alleged reckless lending to companies affiliated with him through his credit union.

Tsutsumi acknowledged the eight MITI officials have met Kubota at parties attended by bureaucrats from other ministries and people from a wide range of circles.

"Most of the eight were found to have no acquaintance with Takahashi while the rest met him at public occasions and exchanged business cards, for example," Tsutsumi said.

"There were no cases of questionable conduct that would raise people's suspicion," Tsutsumi said.

Recently, a senior Finance Ministry official was demoted from his posts following the revelation that he accepted a free flight to Hong Kong from Takahashi, triggering a national debate over the moral standards of bureaucrats.

North Korea

Reinforcement of U.S. Troops in ROK Denounced

SK1603070195 Pyongyang Korean Central Broadcasting Network in Korean 1252 GMT 15 Mar 95

[Commentary by Yun Pyong-son: "Crushing Policy Will Not Work On Us"]

[FBIS Translated Text] The U.S. Department of Defense is still racing to reinforce its Armed Forces in South Korea. According to a report of the U.S. defense magazine DEFENSE NEWS of 13 March, the U.S. Department of Defense is reinforcing military equipment such as up-to-date helicopters, tanks, vehicles, and ammunition under the pretext of coping with someone's threat.

For the past two months, approximately 20 multipurpose high-speed vehicles have reportedly been introduced into South Korea, and 24 Apache helicopters are reportedly to be introduced into South Korea during the second half of this year.

This is part of the U.S. Department of Defense's deliberate maneuvers to realize its criminal attempt by aggravating the situation on the Korean peninsula. The clamoring by U.S. military circles [mi kunbu kyechung] about coping with someone's threat is shameless sophistry. No danger of a southward invasion on the Korean peninsula exists. Rather, there is only the danger of a northward invasion.

Tens of thousands of U.S. Armed Forces and nearly one million of the puppet Army are in a state of combat readiness and a war exercise for northward invasion is being staged almost every day in South Korea today. Military provocations are being perpetrated to invent an excuse for a war of northward invasion in the area along the Military Demarcation Line. A scenario for a new adventurous war for northward invasion is being prepared. This is the stern reality of South Korea.

Furthermore, the U.S. military circles are threatening us, saying that they will take decisive countermeasures against any indication of a so-called threat of southward invasion. These facts show that the danger of war on the Korean peninsula is coming from the South.

Nevertheless, the clamoring by the U.S. military circles about someone's threat is nothing but an excuse to mislead public opinion and to justify their criminal armed reinforcement maneuvers in South Korea.

Furthermore, today when the world's people are opposing armed reinforcement in South Korea and disarmament has become a trend of the times, there is no reason whatsoever for the United States to introduce military equipment into South Korea.

The U.S. maneuvers for reinforcing its Armed Forces in South Korea also contradict the promise it made to improve relations with us. The U.S. bellicose circles [hojon kyechung] cannot justify with any sophistry the maneuvers to reinforce the U.S. Armed Forces occupying South Korea.

The question remains as to why the U.S. Department of Defense is still racing to reinforce U.S. Armed Forces in South Korea under a preposterous excuse which no one believes. It can be viewed as being a part of the United States' Asian-Pacific strategy and anti-Republic crushing policy that it has tenaciously pursued.

As everyone knows, it is the unchanging, wild ambition of the United States to try to crush our Republic through military strength and eventually dominate the Asian-Pacific region. The United States has taken South Korea as its strategic strong point to realize its wild ambition.

This is clearly proven by the mere fact that the United States recently scrapped its plan to reduce U.S. Forces stationed in South Korea in its recent security strategy and in its race to reinforce U.S. Armed Forces in South Korea while clamoring about a nonexistent threat.

Facts clearly show that even though the U.S. military circles are clamoring as if they were interested in detente and peace, their ambition for aggression has not changed at all, and they are viciously clinging to their maneuvers to crush our Republic militarily.

If the U.S. military circles think that they can threaten and subdue someone, this is a big mistake. Their policy of force will not be able to work on us even if it will work on someone else. In the past, the United States constantly attempted to crush us. However, we were not shaken by it. Our people never concede to or retreat from principles in fear of military threat. U.S. circles should realize that while they are in a situation of hostile relations with us [uriwa kyojon kwangyee innun chogoneso], any act aggravating tensions is not beneficial to them and that it would be much better for them if they were to stop all acts threatening us, including maneuvers to reinforce their Armed Forces in South Korea.

Commentary Criticizes French Support for ROK

SK1603102395 Pyongyang KCNA in English 1007 GMT 16 Mar 95

["Appearance of Big Nation Overpowered by Money"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA)—If the French authorities have reason and are to be supported and trusted at home and abroad, they should not take the base action of fawning on the South Korean puppets but take a fair stand before it is too late, says NODONG SINMUN in a signed commentary today.

France in a recent "Statement of the Chairman State of the European Union" said that the issue of the withdrawal of the Polish delegation from the Neutral Nations Supervisory Commission [NNSC] is "regret" and a "violation of the Armistice Agreement" and the chief executive of France described South Korea as if it were a signatory to a peace agreement. Commenting on this, the analyst goes on:

The issue of the withdrawal of the Polish delegation from the Neutral Nations Supervisory Commission is not a matter that France pokes its nose into. It is us that appointed and invited Poland as a member nation of the NNSC and, accordingly, its disposal is within our right. Under the condition that the armistice body was nullified by the unjust act of the U.S. side and the Polish delegation had nothing to do, we judged there is no need for it to remain any longer and decided not to appropriate unproductive funds for it.

As seen above, the question of the withdrawal of the Polish delegation is within our sovereignty. Perhaps, it seems that France is trying to encroach upon the sovereignty of the DPRK to satisfy the South Korean puppets and get reward.

The French authorities told that South Korea is the signatory to a peace agreement with the DPRK and the resumption of the North-South dialogue is a prerequisite to the implementation of the DPRK-U.S. framework agreement. This is the same as the South Korean puppets clamoured. It was to please the South Korean puppets and win their favour.

France has posed as a great power. Why is she so disgraceful and mean before the South Korean puppets? It is for a poor goal to get some money from the puppets. To this end, France abandoned her prestige and honour.

Although France adulates the South Korean puppets, they cannot be a signatory to a peace agreement with the DPRK.

We have long put them aside from the question of signing a peace agreement. The parties which will sign a peace agreement are the DPRK and the United States.

Assassination Attempt Against Pak Hong Denied

SK1603110195 Pyongyang KCNA in English 1044 GMT 16 Mar 95

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA)—The South Korean puppets are these days spreading false rumours about "attempts at assassination."

They charge that the North is giving "financial assistance" to and "brainwashing" the "radical extremist" students of South Korea and guiding their "firing practice" with a view to assassinating "VIPs" of South Korea, including Kim Yong-sam and the president of Sogang University, Pak Hong.

They bribed the Belgian daily LE SOIR to carry a false report and then manipulated a South Korean radio to echo it.

This is a third-rate stereo-typed trick.

Assassination has been used by the South Korean fascist ruling group each time it faced a crisis.

It is the puppet rulers who committed a lot of assassinations and terrorist acts, which spoil the political history of South Korea, including the assassination of Kim Ku and Cho Pong-am under the rule of Syngman Rhee and the attempted murder and kidnapping of Kim Taechung under the rule of Pak Chong-hui.

Although they charged the North with "violence" and "terrorism," all of such cases have turned out to be South Korea's internal affairs that had nothing to do with the North or be faked up by themselves to meet their own need.

Last year, too, the puppet Agency for National Security Planning (ANSP) spread a rumour about "attempted assassination" of Kim Yong-sam, only to lose face as it proved to be false.

The fabrication of the false drama this time by the puppet ANSP shows that the Kim Yong-sam group is facing a serious crisis.

As a matter of fact, the traitor Kim Yong-sam is driven into a tight corner, "a total crisis," for the crimes he has committed for two years or more since he took office. The total failure of the "reform policy" and the "policy toward the North and the foreign policy" have caused the people and public circles of South Korea to have deep grudges against the Kim Yong-sam "government." Even some of the ruling quarters call for the resignation of the "president" before the expiration of his term of office, saying that national administration cannot be entrusted to the present "government."

Under this critical situation, the Kim Yong-sam group could not but resort to a desperate gamble at the risk of the life of the "president" in a bid to divert elsewhere the people's attention, bridge over the government crisis and put down the spirit of national reconciliation, unity and reunification mounting on the threshold of the 50th anniversary of national liberation, with such shocking rumour.

Even the gangsters of the "Chichon Group" of South Korea, whose method of murder startled people, would not kill such a political prostitute and human scum as Kim Yong-sam, lest their hands should be stained with dirt.

The case is the same with his vassals such as Pak Hong. The Democratic People's Republic of Korea has nothing to do with terrorism.

The false report concocted by the puppet ANSP coincided with Kim Yong-sam's visit to Belgium. This brought into bolder relief its tricky nature.

The Kim Yong-sam group must clearly realise that with no anti-North smear campaign can it get rid of its poor lot, forsaken by all.

Time will show how dearly it will have to pay for the anti-North campaign.

CPRF Holds News Conference on Kurop Dump

SK1603103095 Pyongyang KCNA in English 1016 GMT 16 Mar 95

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA)—A press conference was held here Wednesday [15 March] regarding the fact that the South Korean puppets designated Kurop Islet as a nuclear waste dump and made it public.

It was attended by reporters, foreign correspondents and press officials of foreign embassies in Pyongyang.

Paek Nam-chun, director of the Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF], made a keynote speech, which was followed by supplementary speeches of a vice department director of the State Nuclear Security Supervisory Committee and an Ocean Meteorological Expert.

The South Korean authorities confirmed and made public the designation of Kurop Islet as a nuclear waste dump on February 27 for permanent disposition or intermediary keeping of 250,000-1,000,000 drums of middle- and low-standard nuclear waste and 3,000-15,000 tons of high-standard nuclear waste.

The speakers said that they include nuclear fissional materials radioactivity of which is tens of thousands of times that from the Hiroshima and Nagasaki A-bombs and ash with radioactivity several thousand times the amount leaked from the Chernobyl atomic power station.

They said Kurop Islet located in 126 degrees of East longitude and 37 degrees and 15 minutes of North latitude is not only near Inchon and Seoul but is only 70 km from Ongjin in the northern half of Korea and 25 million fellow countrymen are living within the radius of 100 km.

They said that if Kurop Islet is turned into a nuclear waste dump, it will seriously affect coastal areas of China, too.

Noting that the Kim Yong-sam group designated Kurop Islet as a nuclear waste dump without any survey and technical guarantee, they viewed it as a treacherous act which may plunge the posterity into ash of death.

Citing materials, they proved that Kurop Islet belongs to an earthquake sphere, where the earth shows a vehement counteraction and rocks crack quite often when it cleaves and, in view geological condition, it is unfit for a nuclear waste dump. They said that, in light of its geological features, the North might suffer the heaviest radioactive damages from it.

They said the Kim Yong-sam group decided to build a nuclear waste dump on the islet adjacent to the North, near the Military Demarcation Line, which is an open declaration of an atomic war against the North.

Pointing out that their scheme of the construction of a nuclear waste dump on the islet is as good as laying a "nuclear timebomb" beneath our feet, they said this cannot be construed otherwise than a deliberate move to create a constant nuclear threat, radioactive threat to the North.

Paek Nam-chun said:

"We consider the issue of the Kurop Islet nuclear waste dump to be the start of an 'atomic attack operation' to ignite another new war against the North, not a matter regarding a nuclear waste dump.

"If the South Korean authorities build a nuclear waste dump on Kurop Islet, clean indifferent to the 'Joint Declaration on the Denuclearisation of the Korean Peninsula' and 'Agreement on Reconciliation, Nonaggression, Cooperation and Exchange Between the North and the South', it will clearly prove that they deny all North-South agreements.

"If they do so, we cannot but take a resolute countermeasure to defend the existence of the nation and future of our posterity."

Then they answered the questions put by reporters.

Czech, Syrian Papers View ROK 'Concrete Wall'

SK1503051995 Pyongyang KCNA in English 0454 GMT 15 Mar 95

[FBIS Transcribed Text] Pyongyang, March 14 (KCNA)—Czech and Syrian papers carried articles exposing the concrete wall built by the South Korean puppet clique.

The Czech paper HALO NOVINY on March 3 said in an article:

A reinforced concrete wall 240 km long has been built in the area south of the Military Demarcation Line of the Korean peninsula. It is an artificial barrier bisecting the Korean peninsula.

The wall is used as an offensive base against the Democratic People's Republic of Korea and it is blocking the peaceful reunification of Korea.

The Syrian paper NIDA AL CHAAB said in an article entitled "Longest and Biggest Wall" that the former dictator of South Korea had the wall built in the area south of the Military Demarcation Line and the west is advertising about the demolition of the Berlin wall but not mentioning the concrete wall built by the South Korean authorities.

The paper also exposed that the South Korean authorities are putting many prisoners of conscience behind bars by invoking the "National Security Law".

Kim Yong-sun Meets Tokyo Broadcasting President

SK1403001095 Pyongyang KCNA in English 1516 GMT 13 Mar 95

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA)—Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea and chairman of the Korean Asia-Pacific Peace Committee, met and had a friendly conversation with the delegation of the Tokyo Broadcasting System, Inc. headed by its representative director and President Hirozo Isotaki in Pyongyang today.

Present there were Vice-Chairman of the Korean Asia-Pacific Peace Committee Chon Kum-chol and other officials concerned.

Vice President's Speech at Social Summit Viewed

SK1603050595 Pyongyang KCNA in English 0407 GMT 16 Mar 95

["Let Us Build New World, Independent, Peaceful and Prosperous"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 15 (KCNA)—Vice-President Kim Pyong-sik, head of the DPRK delegation, made a speech at the World Summit on Social Development on March 11.

In his speech, he pointed out that amazing progress has been made in social development in the DPRK under the wise guidance of the great leader President Kim Il-song and the great leader Comrade Kim Chong-il.

The DPRK vice-president said:

In Korea, rights for independence are fully guaranteed to the masses of the people and everything of society serves them.

Under the benevolent politics of General Kim Chong-il, the Korean people choose their jobs to suit their hope and ability, irrespective of political view and religious belief, sex and age, have stable jobs and give full play to their strength and talent in worthwhile labour for society and themselves.

The great leader and the great people form a harmonious whole, and all people help and lead one another along as a large harmonious family under the motto "one for all and all for one." This is the true picture of our society.

In order to achieve social development as desired by humanity, each country must place the interests of the popular masses above anything else and work out the line and policy in conformity with its actual conditions in the development of society.

Social development is inconceivable without peaceful environment. Disputes must be settled peacefully through dialogue and negotiation in the interests of the parties concerned and in the cause of world peace. Anybody should not instigate the disputes to catch fish in troubled waters.

Every country should take prompt measures to reduce the armaments and Armed Forces and allot much more funds and natural resources for social development and the promotion of the welfare of the people.

Financial and technological assistance to developing countries must be oriented to sincerely help their social development. And it must not be used as a means of political pressure or interference.

The United Nations and the international community should pay deep attention to social development in developing countries, especially in the under-developed countries, and positively contribute to solving this issue.

Farewell Visit by Ambassador to Mali Reported

SK1603095995 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 11 Mar 95

[FBIS Translated Text] On 6 March, Ambassador Kim Ki-han paid a farewell visit to (Mamad L. Versirugologo), general secretary of the National Guiding Committee of the Sudanese Union of the Mali-African Democratic Union. During the meeting, the ambassador conveyed greetings from the great leader [yongdoja] Comrade Kim Chong-il to General Secretary (Mamad L. Versirugologo). Expressing his deep appreciation for this, the general secretary asked the ambassador to convey to the great leader Comrade Kim Chong-il his greetings wishing the leader a long life.

The general secretary pointed out that relations between the Sudanese Union of the Mali-African Democratic Union and the Workers Party of Korea had been achieved at a high level because of the commonality of their ideas and ideology, stressing: In past years, the brave and diligent Korean people have performed miracles in their work to safeguard their national dignity and sovereignty, and to develop the country under the wise leadership of the great leader Comrade Kim Il-song and the great leader [yongdoja] Comrade Kim Chong-il.

He added: We regard success in the socialist construction of Korea as our success, and sincerely expect that the independent and peaceful reunification of Korea, the maximum national desire of the Korean people, can be achieved as soon as possible.

WPK Receives Greetings From Other Nations

SK1403103295 Pyongyang KCNA in English 1007 GMT 14 Mar 95

[FBIS Transcribed Text] Pyongyang, March 14 (KCNA)—Messages of greetings came to the Central Committee of the Workers' Party of Korea from the Central Executive Committee of the People's National Congress of Guyana, leaders of the Central Committee of the Dominican Labor Party including Chairman Jose Gonzalez Espinosa and A. Ha. Jalalov, first secretary of the Central Committee of the People's Democratic Party of Uzbekistan, on the birthday of the great leader Comrade Kim Chong-il.

The messages express the belief that the Workers' Party and people of Korea under the leadership of the dear leader Comrade Kim Chong-il will achieve greater success in the future struggle to carry forward the cause to which the great leader President Kim Il- song devoted his whole life.

More Reportage on Meeting of KPA Commanders

'Large Attendance' Reported

SK1603051195 Pyongyang KCNA in English 0417 GMT 16 Mar 95

["Grand Meeting of KPA Company Commanders, Political Instructors Opens in Presence of Comrade Kim Chong-il"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 15 (KCNA)—A meeting of company commanders and political instructors of the Korean People's Army [KPA] has opened here today with a large attendance.

It will review the achievements and experience gained in strengthening the KPA companies, true to the military line of the Workers' Party of Korea [WPK], and discuss tasks to fully prepare all the companies to be combat units of each-a-match-for-a-hundred revolutionary soldiers to meet the demand of the modelling of the whole Army on the chuche idea.

A portrait of the great leader President Kim Il-song was placed on the backdrop of a red flag and slogans "Long live the great leader Comrade Kim Il-song!" and "Long live the glorious Workers' Party of Korea!" were hung on the platform of the meeting hall in the Pyongyang Indoor Stadium.

Seen in the meeting hall were "Let us become rifles and bombs to devotedly defend respected Supreme Commander General Kim Chong-il!" "Let us further strengthen all the companies to be each-a-match-for-a-hundred combat units!" and other slogans.

The great leader of our party and our people Comrade Kim Chong- il, chairman of the National Defense Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army, appeared on the platform amid the welcome music.

The moment, thunderous cheers "hurrah," "Kim Chong-il" and "singlehearted unity" burst forth in the meeting hall. [sentence as received]

Comrade Kim Chong-il waved to the enthusiastically cheering participants.

KPA company commanding officers of the three services presented him with a floral basket reflecting deep respect and reverence of the participants and all other KPA officers and men for him.

Among the platform party were Choe Kwang, member of the Political Bureau of the Central Committee of the Workers' Party of Korea, vice-chairman of the DPRK National Defense Commission, member of the central military commission of the WPK and chief of the General Staff of the KPA; Vice Marshals of the KPA Kim Kwang-chin and Kim Pong-yul and General Yi Ha-il, members of the DPRK National Defense Commission and members of the Central Military Commission of the WPK; and leading men of the Ministry of the People's Armed Forces, commanders and political workers of arms and services of the KPA, commanding officers and political workers of KPA units and model company commanders and political instructors.

The participants in the meeting observed a moment's silence in memory of President Kim Il-song.

Choe Kwang conveyed a congratulatory message of the Central Military Commission of the WPK to the participants in the meeting.

The message said the company commanders and political instructors had made a big contribution to fully preparing the company soldiers to be revolutionary soldiers of chuche type with a steadfast spirit of absolutely worshiping only the party and the leader and devotedly fighting for them in any adversity and to cementing the singlehearted unity of the whole Army.

It pointed out that they must make all the soldiers remain faithful to the leadership of the WPK and live and fight in the revolutionary spirit of unconditionally fulfilling the orders of the supreme commander to the letter and complete the combat preparations of the companies to emerge ever victorious in the fight with the enemy.

A congratulatory group of the KPA entered the meeting hall and recited a congratulatory message to the meeting.

Kim Kwang-chin delivered a report at the meeting, which was followed by speeches.

The meeting continues: [punctuation mark as received]

'Stormy Cheers' for Kim Chong-il

SK1603110995 Pyongyang KCNA in English 1048 GMT 16 Mar 95

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA)—Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], was present at the meeting of company commanders and political instructors of the KPA which opened in Pyongyang on March 15.

When Comrade Kim Chong-il appeared on the platform, the stormy cheers "hurrah" and the slogans "Kim Chong-il" and "Singlehearted unity" burst forth in the meeting hall.

Seen in the meeting hall in the Pyongyang indoor stadium was the slogan "Let us become rifles and bombs to defend respected supreme commander General Kim Chong-il with our lives!"

The participants in the meeting expressed their will to fully prepare the companies, the basic combat units of the People's Army, to be absolute worshipers for General Kim Chong-il and rifles and bombs to defend him in a death-defying spirit.

They firmly resolved to keep themselves in full combat readiness to deal a decisive blow at the enemy, if it dare invade even an inch of our territory, our airspace and our territorial waters, by further completing the combat preparations of the companies, platoons and squads and fortifying the posts and positions in conformity with the requirement of the prevailing situation.

Kim Kwang-chin Presents Report

SK1603052095 Pyongyang KCNA in English 0434 GMT 16 Mar 95

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA)—The meeting of company commanders and political instructors of the Korean People's Army (KPA) will be a meeting of loyalty which powerfully demonstrates the revolutionary faith and invincible might of the KPA defending the revolutionary cause of chuche in death-defying spirit by force of arms, holding respected Comrade Kim Chong-il in high esteem as the great leader, true to the behests of the great leader President Kim Il-song, and will mark an important occasion in effecting a radical turn in strengthening the companies of the KPA as steel-like units of combatants each of whom is a match for a hundred foes.

KPA Vice Marshal Kim Kwang-chin, member of the National Defence Commission of the DPRK and member of the Central Military Commission of the Workers' Party of Korea, said this in his report at the meeting of company commanders and political instructors of the KPA which opened here on Wednesday.

The reporter said:

The great leader President Kim Il-song and KPA Supreme Commander Comrade Kim Chong-il put their heart and soul into the strengthening of the companies of the KPA at all times in the protracted and glorious historical course of strengthening the revolutionary Armed Forces of chuche.

One of the achievements in strengthening the companies is that the companies have grown in strength as combat units of loyalty and filial piety with the system of the respected supreme commander's leadership over the Army firmly established.

Another achievement is that the companies have grown to be units of combatants each of whom is a match for a hundred foes as they have been strengthened in military technique.

The striking capacity and the maneuverability of the companies have grown and the soldiers have become crack shots. As a result, every military provocation of the enemy has been frustrated decisively.

The commanding officers of the companies have contributed to further strengthening the combat capabilities of the KPA through a vigorous drive for full combat preparedness against the enemy and fortification of the posts and positions.

We are faced with a heavy yet honorable task of reliably guaranteeing the revolutionary cause of chuche by force of arms and exalting the dignity and honor of the revolutionary Armed Forces of chuche, true to the behests of President Kim Il-song. To this end, we must further strengthen the companies, the main combat unit of the KPA.

The company commanders and political instructors must educate the soldiers to absolutely worship respected General Kim Chong-il in any adversity and fully prepare them as rifles and bombs to defend him with their lives.

All the soldiers must be trained each to be a match for a hundred foes. The companies must defend their posts as an impregnable fortress so that no enemy can trample on an inch of land and a blade of grass of our inviolable Republic.

The reporter called for more staunchly fighting for the final victory of the revolutionary cause of chuche and the reunification of the country under the leadership of Comrade Kim Chong-il, the great leader of our party and our people, our destiny, the banner of invincibility and the life and soul of socialism, as befitting soldiers and disciples of President Kim Il-song.

Attendees on Rostrum Listed

SK1603024395 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 15 Mar 95

[FBIS Translated Excerpt] A meeting of company commanders and company political instructors of the Korean People's Army [KPA] opened grandly. [passage omitted]

Present on the rostrum were Comrade Choe Kwang, member of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK], vice chairman of the DPRK National Defense Committee, member of the WPK Central Military Commission, and chief of the KPA General Staff; KPA Vice Marshals Kim Kwang-chin and Kim Pong-yul, members of the DPRK National Defense Commission and members of the WPK Central Military Commission; KPA General Yi Ha-il, member of the DPRK National Defense Commission and member of the WPK Central Military Commission; Generals Cho Myong-nok, Kim Il-chol, Pak Ki-so, Yi Pong-won, and Kim Myong-kuk, members of the WPK Central Military Commission; Colonel General Pak Chae-kyong, member of the WPK Central Military Commission; senior officials of the Ministry of People's Armed Forces; commanders of KPA branches of arms and services; and exemplary company commanders and company political instructors. [passage omitted]

KPA Meeting Concludes 16 Mar

SK1603152195 Pyongyang KCNA in English 1517 GMT 16 Mar 95

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA)—The meeting of company commanders and political instructors of the Korean People's Army [KPA] which opened here on Wednesday closed today.

At the meeting, thanks from supreme commander of the Korean people's army Comrade Kim Chong-il were conveyed to the participants in the meeting for their devoted efforts to strengthen the companies of the KPA, deeply conscious of their revolutionary duty, and for the intense loyalty to the leader of the revolution they had displayed before the meeting.

Speeches were made at the meeting.

The speakers said all the participants deeply revere Comrade Kim Chong-il, their respected supreme commander, and are filled with the determination to carry to accomplishment the socialist cause of chuche under his great leadership.

They recalled that the great leader Generalissimo Kim Il-song attached great importance to the position and role of the company from the beginning of the building of the revolutionary Armed Forces of chuche and cordially guided the commanding officers of the companies, the cell and basic combat unit of the KPA, to creditably discharge their honorable mission for the party and the revolution.

Respected supreme commander Comrade Kim Chong-il has wisely guided the work of building up the companies as the bases for modelling the whole army on the chuche idea in keeping with the development of the revolutionary Armed Forces, they said.

They reviewed the achievements and experiences in strengthening the companies, adding that all the soldiers have been trained to be loyal subjects who absolutely worship the supreme commander and defend him with their lives and that the companies have been built to be crystals of loyalty and devotion and revolutionary ranks united in one mind.

The combat and political training has been organised substantially to meet the demands of modern warfare, strictly on the basis of the five-point policy and four principles of training put forward by the party, the speakers said, adding that as a result, the soldiers have been firmly prepared in military technique and for action, and the military provocations of the enemy have been frustrated in time and the security of the socialist motherland and the gains of the revolution been defended reliably.

"Whatever grim trials and difficulties may crop up in the way of our revolution, we will certainly win, led by respected General Kim Chong-il," they said. "We will fight it out for the accomplishment of the revolutionary cause of chuche and the reunification of the country, entrusting our destiny and future to him."

A letter of pledge to Comrade Kim Chong-il was adopted at the meeting.

Foreign Party Leaders Send Birthday Greetings

SK1603052595 Pyongyang KCNA in English 0424 GMT 16 Mar 95

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA)—The great leader Comrade Kim Chong-il received congratulatory telegrams from foreign party leaders on his birthday.

They are Vladimir Brzhgov, chairman of the political council of the Russian Left Party; Rolf Hagel, chairman of the Workers' Party—Communists of Sweden; Juan Ramos, general secretary of the Central Committee of the Communist Party of the Peoples of Spain; Kwesi Pratt, general secretary of the Popular Party for Democracy and Development of Ghana; Ernest Kabusheneye, chairman of the People's Rally of Burundi; and Khaled Bensmain, general secretary of the Movement for Democracy in Algeria.

They extend warmest congratulations to him on his birthday and wish him a long life in good health.

They express the belief that the friendly and cooperative relations between their parties and the Workers' Party of Korea, between their peoples and the Korean people will consolidate and develop still further.

Comrade Kim Chong-il also received a congratulatory telegram from the Political Bureau of the Central Committee of the Party for the transformation of Honduras on the occasion.

Foreign Newspapers Carry Kim Chong-il's Works

SK1503043795 Pyongyang KCNA in English 0413 GMT 15 Mar 95

[FBIS Transcribed Text] Pyongyang, March 15 (KCNA)—Foreign newspapers carried famous works of the great leader Comrade Kim Chong-il.

The Mexican paper INSURGENCIA CARDENISTA carried his work "Socialism Is a Science" with his portrait.

In the prefacewn the paper said Comrade Kim Chong-il, the great leader of the Democratic People's Republic of Korea, in his work "Socialism Is a Science" declared that man-centred socialism, socialism centred on the popular masses, is absolutely scientific, and the most advantageous and powerful socialism.

The Nepalese paper GORKA PATRA and the Nigerian paper OBSERVER carried "On the Fundamentals of Revolutionary Party Building," a treatise written by Comrade Kim Chong-il on October 10, 1992, the 47th anniversary of the foundation of the Workers' Party of Korea.

The treatise consists of three parts—the historical lessons in building a government party under socialism, the basic principles of the building of a chuche revolutionary party and the international unity and solidarity of revolutionary parties.

The Mexican paper COMBATIENTE and the Nigerian paper OBSERVER respectively carried "Abuses of Socialism Are Intolerable" (published on March 1, 1993) and "On the Chuche Idea" (published on March 30, 1982).

Foreign Media Carry Biography of Kim Chong-il

SK1403054395 Pyongyang KCNA in English 0429 GMT 14 Mar 95

[FBIS Transcribed Text] Pyongyang, March 14 (KCNA)—The brief biography of the great leader Comrade Kim Chong-il was reported by foreign news media.

The Zairean paper SOLIDARITE carried his brief biography, saying that he, the successor to the cause of the great leader President Kim Il-song, is further glorifying Korean-style socialism centred on the popular masses by applying the chuche idea to all fields of social life including the party, the state and the army.

It said that thanks to the leadership of Comrade Kim Chong-il the Korean people as well as the world progressive people are fighting to defend justice and peace.

The brief biography was reported by the Czech paper USBIT, the Pakistani magazine PAKISTAN VISION NEWS, the Pakistani papers NAWA- I-WAQT and MASHRIQ and the Indian paper UNITY INTERNATIONAL, the Nepalese magazine PRATIDHWANI, the Guinean paper HOROYA and Radio Congo.

The brief biography was also reported by the Nigerian paper VANGUARD, the Russian paper RUSSKI PULS, the Finnish paper TYOKANSAN SANOMAT, Radio FM 90 of Cambodia, Radio Formula of Mexico, the news agency, radio and television of Guinea.

Kim Chong-il Sends Wreath to Bier of General

SK1403001495 Pyongyang KCNA in English 1517 GMT 13 Mar 95

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA)—Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], today sent a wreath to the bier of KPA General Son Chong-chun, expressing deep condolences on his death.

Son Chong-chun was an anti-Japanese revolutionary fighter.

* Kim Chong-il's Achievements for Military Viewed

952C0070A Pyongyang MINJU CHOSON in Korean 23 Dec 94 p 2

[Article by Chon Kyong-no: "The Great Achievements That Will Shine Forever in the History of Chuche-Oriented Military Building]

[FBIS Translated Text] The third ring is about to be marked in the history tree since we first had the dear Comrade Kim Chong-il, the great helmsman of our party and people, as the supreme commander of the Korean People's Army [KPA]. With this historical date drawing closer, the hearts of all KPA officers and men and all country's workers are swelling with a sense of great national pride and revolutionary confidence in having the great Commander Kim Chong-il at the highest position of the revolutionary Armed Forces, and are beating harder with a renewed determination, vowing to do everything to be loyal to the supreme commander.

With this significant day close at hand, our military personnel and people are proudly recalling the immortal achievements the leader of our people has accumulated while leading in building a chuche-oriented Army.

The great leader Comrade Kim Il-song taught as follows: "Comrade Kim Chong-il's leadership has brought about a new change in building a revolutionary armed force as elsewhere."

The dear leader Comrade Kim Chong-il set as his life-long mission the passing on from generation to generation of the chuche revolutionary cause that the great leader Comrade Kim Il-song pioneered and led, until the consummation of that cause. The dear leader attached great importance to building a revolutionary armed force from the first period of his revolutionary activities and has devoted great efforts to this task with all his heart, while energetically leading its fulfillment. In this historic process the dear leader has accumulated immortal achievements for our party and people, and our times and revolution.

The dear leader Comrade Kim Chong-il's achievements in leading the revolutionary Army are so great that they will shine forever in the annals of chuche-oriented military-building. These achievements are another demonstration of the outstanding leadership character and quality of the dear leader Comrade Kim Chong-il, the great leader of the revolution, who is an eminent ideological theorist, politician, and military strategist, equally distinguished in literary and military accomplishments and in filial piety and patriotism, and who has been infinitely loyal to the country and people as well as to the leader who opened the historical beginning of the revolution. Because of his military achievements which will shine forever beyond this century, along with his achievements in all other areas of the revolution and construction, the great Commander Kim Chong-il is without peer, being the greatest of all great men and the most distinguished of all military geniuses. His name will be cherished deep in the hearts of our people and all revolutionary peoples of the world as a brilliant ray of sunlight.

The foremost in the dear Comrade Kim Chong-il's immortal achievements in the course of leading the revolutionary Armed Force is that he has brilliantly perfected the chuche-based thought and theory on military building.

Building a revolutionary Armed Force of the working class is unthinkable apart from a relevant revolutionary and scientific guiding thought and theory. A genuine revolutionary Armed Force can be successfully built and demonstrate its power only when it upholds the right thought and theory that illuminate the general directions and goals, principles and methods, and strategies and tactics as the guiding compass and an ideological and theoretical weapon.

The correct guiding principle for building a revolutionary Armed Force was founded by the leader who explored the road of revolution for the first time. The principle is ceaselessly deepened, developed, and perfected by the helmsman who carries on the cause of the leader before him.

The chuche-based thought and theory on military-building founded by the great leader Comrade Kim Il-song is the most correct leading principle in building a true revolutionary Armed Force of the working class and an outstanding thought and theory on military building in the age of self-reliance.

This eminent thought and theory has been elevated to the highest and most brilliant stage by the energetic ideological and theoretical activities of the dear leader Comrade Chong-il, who is thoroughly defending and brilliantly carrying on the great leader's revolutionary ideology to perfection.

Occupying a shining place in the dear leader Comrade Kim Chong-il's immortal achievements in perfecting the chuche-based thought and theory on military-building is his elucidation of the thought and theory on converting the whole Army to the chuche ideology.

With a penetrating insight into the mature demands of our society in a new, higher stage of development, where it is converting itself to the chuche ideology as a primary objective, the dear leader presented the program for converting the whole Army to the chuche ideology. This is the great thought that has brightly elucidated the general directions and goals and the basic line for building a chuche-oriented revolutionary Armed Force, and as such it constitutes an immortal ideological and theoretical exploit by which he has perfectly resolved the most important fundamental problems encountered in realizing the cause of building a working-class Army.

Building a revolutionary Armed Force successfully, with foresight and without any bias or twist, requires a correct program and basic line.

By presenting the program for converting the whole Army to the chuche ideology, the dear leader Comrade Kim Chong-il set forth the basic guideline for strengthening and developing our overall Armed Force, including the KPA, into a true revolutionary Armed Force infinitely loyal to the fulfillment of the chuche revolutionary cause, by thoroughly implementing the immortal chuche ideology.

In this connection, the ideological theory that the KPA must be the leader's Army is of particular significance.

This ideological theory elucidates the profound thought that a revolutionary Army or revolutionary Armed Force must be both in name and reality an Armed Force for the leader who charted the road of revolution and for the helmsman who carries his cause to completion, and as such it is a great thought clarifying the basic of all basics on building a working-class Army.

The revolutionary cause of the working class is none other than the cause of the leader, and the revolutionary Armed Force that guarantees this cause by arms must put it at the forefront as its basic mission to defend the leader securely. Putting in the forefront the armed defense of the leader and helmsman of the revolution as the foremost duty, even more important than protecting one's own lives, and going forward fulfilling this duty—this gives the revolutionary Army its intrinsic characteristics and its ideological and spiritual excellence unrivaled by any other army. An army detached from the leader is in fact not a revolutionary army, and such an army cannot be powerful in the fulfillment of the revolutionary cause nor can it maintain its vitality to the end. It is because our overall Armed Force, including the KPA, has been built up closer to perfection and consolidated solidly on the basis of the dear leader's ideological theory that the people's Army must be the leader's army that they are so loyal to their cause and are demonstrating such awesome power as the invincible fighting force we see today.

The characteristics of modern warfare and the related thought and theory on chuche-based strategies and tactics constitute the important ingredients of the dear leader's chuche-based thought and theory on military-building.

On the basis of a comprehensive and erudite analysis of the realities of modern warfare and its trends, performed with an extraordinary insight and an energetic investigation, the dear leader Comrade Kim Chong-il clearly defined the characteristics of modern warfare and has elucidated numerous chuche-based strategies, tactics, and fighting methods suitable to these characteristics.

Unless someone is an outstanding military genius like the dear Comrade Kim Chong-il, it is unthinkable for anyone to clearly define the characteristics of modern warfare with such a well-known formulation—the formulation that modern warfare is "three-dimensional warfare" in which there is neither a front line nor a rear. Perfectly clarified in the strategies and tactics set forth by the dear leader are full details ranging from his unique strategies and tactics based on a scientific insight into the characteristics of modern warfare to the methods of controlling and operating combat activities of military units and the training of the soldiers.

All the military thoughts and theories of the dear leader Comrade Kim Chong-il serve as a powerful theoretical and practical weapon in fulfilling the chuche-oriented military-building cause by providing a reliable military guarantee for the consummation of the cause of chuche.

Another of the dear leader Comrade Kim Chong-il's immortal achievements in leading the revolutionary Armed Force is that he has strengthened and developed our overall revolutionary Armed Force, including the KPA, into an invincible, ever-victorious fighting force.

Today our overall revolutionary Armed Force, including the KPA, is powerfully demonstrating fervent loyalty to the leader, the party, and the revolution; an intense organizational spirit and disciplinary character; and an invincible might. This is a unique ideological-spiritual characteristic and excellence that can only be found in our military, our revolutionary Armed Force.

Our revolutionary Armed Force is also fully prepared in military technical aspects. An invincible Army equipped with powerful offensive as well as defensive capabilities—this is the real feature of the KPA and our overall Armed Force.

It is thanks wholly to the correct leadership of the dear Comrade Kim Chong-il that our revolutionary Armed Force has been strengthened and developed into a one-a-match-for-100 revolutionary Army prepared thoroughly in politico-ideological terms as well as in terms of military techniques as we see it today and it is fulfilling its honorable duties as the leader's Army and as the defender of the party, the revolution, the country, and the people. The current might of our revolutionary Armed Force is unthinkable apart from the sagacious leadership of the dear leader, who has brought up the KPA as the true Army of the leader, of the party, and of the revolution, by making the KPA step up indoctrination in party ideology and establish a chuche-oriented command system under which the whole Army may move as one under the chuche-oriented military-building policy. That might is also unthinkable apart from the great guiding hand of the dear leader Comrade Kim Chong-il, who has developed the chuche-based strategies and tactics to suit the demands of modern warfare and the given conditions in our country, and who has founded a modern defense industry, thereby constantly strengthening the combat capability and the armament of the KPA, and who has consolidated our all-people defense system, with the KPA at its center, into an impregnable fortress.

In the light of this great leadership, the implementation of the program for converting the whole Army to the chuche ideology has progressed brilliantly; and the policy line of converting the KPA into a cadre Army, modernizing the KPA, and bringing all the people under arms, and converting the whole country into a fortress has been thoroughly implemented. As a result, our revolutionary Armed Force has been able to grow into an ever-victorious Army capable of smashing any aggression by the enemy at one stroke and reliably defending the fatherland of socialism and the revolutionary cause of chuche. In recent years our people have been able to crush the military pressures and reckless war provocation machinations of the imperialists at each step and go forward resolutely defending and further glorifying the dignity, honor, socialist gains of the socialist Korea, and the sacred socialist cause. This is unthinkable apart from our matchless, ever-victorious revolutionary Armed Force standing so prepared as to be fully dependable.

The dear leader Comrade Kim Chong-il's achievements in chuche-oriented military building are the greatest and most valuable and lasting treasure of our revolution, which cannot be matched or substituted by anything.

Thanks to this immortal exploit, a powerful means of triumphantly advancing the chuche-oriented military-building cause to brilliant fulfillment has been firmly secured, a true model revolutionary force created, and the prospect for building up the revolutionary Army of the working class opened wide.

It is an unsurpassed glory and pride for our party and revolution, our country and people, and the revolutionary Army to have the great helmsman—who has accumulated immortal achievements which will shine forever in the history of chuche-oriented military-building—at the highest position of the revolutionary Army.

Our Army and people will cherish deep in their hearts their current glory and happiness in carrying out a revolution with the dear leader Comrade Kim Chong-il—the greatest of all great men humanity has ever produced, and the most distinguished of all military geniuses heaven has ever produced—as the supreme commander of the revolutionary Armed Force, and will go forward forever resolutely defending and unceasingly glorifying the immortal achievements of the supreme commander from generation to generation. By so doing our Army and people will better uphold the leadership of the great Commander Kim Chong-il and hasten the unification of the fatherland and victory for the cause of socialism, as wished by the respected and beloved leader Comrade Kim Il-song when he was alive.

More Foreign Media Carry Kim Il-song Works

SK1603052995 Pyongyang KCNA in English 0420 GMT 16 Mar 95

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA)—The great leader President Kim Il-song's famous work "For the Ultimate Solution of the Rural Question Under the Banner of the Socialist Rural Theses" was reported by the Nepalese paper NEPAL NEWS and radio SANTAROSA of Peru.

The Nepal news said in the preface:

President Kim Il-song, the great leader of the Korean people, published a work in February last year to indicate a clear path to the final solution of the rural question.

The work deals with the idea on resolving the rural question completely through strict implementation of the socialist rural theses which was published by him long ago.

The editorial board of the Nepal news carries this work on the lapse of a year since the great leader President Kim Il-song published it.

The Indian paper INDIAN TIMES and the Zimbabwean paper THE STAR respectively carried "Answers to Questions Raised by the General Director of the Latin American News Agency PRENSA LATINA" and "Theses on the Socialist Rural Question in Our Country."

Kim Il-song's Works Studied in Seminars Abroad

SK1503043595 Pyongyang KCNA in English 0416 GMT 15 Mar 95

[FBIS Transcribed Text] Pyongyang, March 15 (KCNA)—Seminars on the great leader President Kim Il-song's reminiscences "With the Century" were held at the Theory and Practice Centre of Kimilsongism in Zimbabwe, the Bangladesh Self-Reliance Research Academy and the Peruvian Group for the Study of the Revolutionary Activities of Kim Chong-suk.

Those who spoke at the seminars praised respected President Kim Il-song as a great leader of the people, who always found himself among the people and shared weal and woe with them till the last moments of his life ever since he began his revolutionary struggle.

The great leader Comrade Kim Chong-il, who has inherited the revolutionary cause of the great leader President Kim Il-song, put forth the slogan "We serve the people!" and is leading all officials to serve the people with all sincerity, they said, adding that the Korean people united around the party and the leader in one mind are invincible.

Daily Urges Completion of Kim Il-song's Behest

SK1603035695 Pyongyang NODONG SINMUN in Korean 22 Feb 95 p 1

[Editorial: "Let Us Thoroughly Implement the Behest Left by the Great Leader in All Units and Sectors"]

[FBIS Translated Text] Upholding the party's great leadership, all party members and working people throughout the country are now vigorously carrying out the struggle to glorify this year as a historic turning point in our revolution and construction. A decisive factor leading to the victory of this worthwhile struggle is to firmly adhere to the behest [yuhun kyosi] left by the great leader Comrade Kim Il-song and to unconditionally and thoroughly implement them in all units and sectors.

The great leader [yongdoja] Comrade Kim Chong-il noted:

"We must make active efforts to thoroughly implement the behest left by the leader [suryongnim]."

The teachings left by the great leader Comrade Kim Il-song are the eternal lifeline of our revolution and construction and the living and working guideline for our party members and working people.

While leading our revolution for a long period of time, the great leader Comrade Kim Il-song elucidated all problems emerging in the course of our revolution and construction. In particular, until the last moment of his life, the great leader presented detailed tasks and methods to enrich and develop the fatherland and to successfully carry out the socialist economic construction. All chronological teachings that the great leader Comrade Kim Il-song gave us while he was alive are the leader's behest, which is a great encyclopedia comprehending all phases and all sectors of the revolution and construction. Herein, both future and imminent tasks for the socialist construction are elucidated; overall problems in the revolution and construction, as well as detailed tasks that should be implemented in every unit and sector, are presented.

When we firmly adhere to the behest left by the great leader Comrade Kim Il-song, we can solve all problems in the revolution and construction and can successfully implement every task, no matter how difficult and huge it is. The behest left by the great leader is indeed the only guideline for our revolution and a militant banner that always leads the revolution and construction to victory.

The behest left by the great leader Comrade Kim Il-song is an ideological and spiritual weapon, which our party members and working people should always deem a motto and should thoroughly realize. Everything, from the method for our party members and working people to successfully fulfill their revolutionary tasks to the detailed tasks for them to revolutionize and prepare themselves as genuine revolutionaries, is elucidated in the behest left by the great leader Comrade Kim Il-song. Only when they firmly arm themselves with the great leader's behest, can the party members and working people prepare themselves as chuche-type genuine revolutionaries, excellently fulfill revolutionary tasks assigned to them, and completely implement the party's revolutionary economic strategies. To our party members and working people, the struggle to implement the great leader Comrade Kim Il-song's behest is a sublime struggle to fulfill their duties as faithful revolutionaries endlessly loyal to the party and the leader. Without the implementation of the behest left by the great leader Comrade Kim Il-song, we cannot think of any struggle or life.

All our party members and working people have grown up as revolutionaries with precious political lives in the bosom of the great leader Comrade Kim Il-song. Nothing is more valuable to our party members and working people than the title of the great leader's soldier, the great leader's pupil. The way for the party members and working people to fulfill their duties as the great leader's faithful soldiers and his diligent pupils lies in completely implementing the leader's behest.

To thoroughly implement the behest left by the great leader Comrade Kim Il-song is the most honorable and worthwhile work of enriching our country, our fatherland, under the party's leadership.

To enrich our country, our fatherland, is the great leader's lifelong intent and the leader's cause. The great leader Comrade Kim Il-song prepared firm bases for growth, prosperity, and development of our fatherland while he was alive. When all the people unanimously rise up to stoutly struggle to implement the behest left by the great leader Comrade Kim Il-song, our country, our fatherland, prepared by the great leader will further be enriched; its might will greatly be demonstrated; and our people's independent and creative lives will fully be advanced.

Today, respected and beloved Comrade Kim Chong-il is wisely leading at the forefront our party and people's struggle to inherit and accomplish the chuche revolutionary cause pioneered by the great leader Comrade Kim Il-song. It is the great leader [yongdoja] Comrade Kim Chong-il's invariable conviction that our revolution can be victoriously advanced and brilliantly accomplished only with the great leader Comrade Kim Il-song's behest as its guideline. All lines and policies presented by our party are thoroughly based on the teachings left by the great leader Comrade Kim Il-song, and they are run through with the goal to thoroughly embody them. Those who deem the great leader's behest as the only guideline of their work and living and make every effort to implement it are true loyalists and genuine revolutionaries who breathe with the great leader Kim Chong-il today and who faithfully uphold the party.

This year is a meaningful year when the 50th anniversary of the founding of our party and the 50th anniversary of the fatherland's liberation will be marked, as well as a year of worthwhile struggle when all the people should work more strenuously than ever.

All party members and working people should thoroughly implement the behest left by the great leader Comrade Kim Il-song in all units and sectors, upholding the party's militant slogan, "Let us greet the 50th anniversary of the founding of the Workers Party of Korea with great political zeal and brilliant labor results!" By doing so, they should glorify this year as the most brilliant year of victory in the history of our party and revolution.

What is most important here is that all the party members and working people should deeply bear the spirit of absolutely and unconditionally implementing the behest left by the great leader Comrade Kim Il-song.

Party members and working people should firmly adhere to the position and viewpoint that the great leader Comrade Kim Il-song's behest comprehends everything and that they will achieve the victory, without fail, when they follow it. All party members and working people should accept the great leader Comrade Kim Il-song's behest as a demand of sublime life and an absolute truth and should always think and act only according to the leader's idea and intent. Party members and working people should regard the great leader's behest as a law and the supreme order and thoroughly implement it by displaying the spirit of endless self-sacrifice.

All party members and working people should actively learn and follow the lofty ideological world of the anti-Japanese revolutionary martyrs who stoutly struggled, bearing the firm will that they would unconditionally accept the great leader's orders and directions and could have not even the right to die before accomplishing them.

Vigorously pushing ahead with the struggle to implement the party's revolutionary economic strategy is the most important revolutionary task in carrying out the great leader Comrade Kim Il-song's behests. The goal toward which the great leader Comrade Kim Il-song worked with all his heart to the last moment of his life was decisively enhancing the people's standard of living by implementing the party's revolutionary economic strategy. Cherishing deep in their hearts the great leader's behest, all the functionaries, party members, and workers should display a high sense of loyalty and devote all their wisdom and energy to carry out the party's revolutionary economic strategy. The functionaries, party members, and workers in the agricultural sector should unconditionally overfulfill this year's grain production target by thoroughly implementing the chuche-oriented farming method that was prepared by the great leader Comrade Kim Il-song. The functionaries, party members, and workers in the light industrial sector should ignite the flames of the light industrial revolution and, thus, increase the variety of people's consumer goods and improve their qualities radically. The functionaries, party members, and workers of the foreign trade sector should strengthen the bases for the production of export goods, increase their production, and fully abide by the credit-first principle in foreign trade, thereby unfailingly implementing the tasks entrusted to them.

Along with this, endless production upsurges should be effected in the coal industry, power industry, rail transport, and all other sectors of the national economy.

In order to thoroughly fulfill the great leader Comrade Kim Il-song's behest in every sector and in every unit, it is important for functionaries, party members, and workers to struggle with the strong revolutionary spirit and militant mettle.

The revolutionary spirit and militant mettle are an important guarantee for the victory of socialist construction and are a temperament of those engaged in revolution.

All party members and workers should vigorously struggle with the high sense of ideological determination to devote their all on the road to implementing the great leader Comrade Kim Il-song's behests. Functionaries, party members, and workers should engage themselves in the implementation of the revolutionary tasks, being overwhelmed with energetic ambition and enthusiasm as becoming revolutionary fighters who live and struggle under the great leader [yongdoja]. The one who embroiders every moment of his life with loyalty and devotes his loyal energy to implementing the party's policies to the last moment of life is a true revolutionary fighter. We should audaciously push ahead with the work to implement the great leader's [suryong] behest to the end.

The spirit of self-reliance and fortitude is a traditional fighting ethos of our people and an immortal revolutionary spirit that has been proven on the course of practicing our revolution. Party members and workers should be wholly responsible for the teachings given by the great leader Comrade Kim Il-song to their sectors and units and should implement them to the end. They must tap potential reserves at every post of socialist construction and vigorously wage the struggle to increase production and practice conservation. Especially, functionaries, party members, and workers should actively dedicate themselves to decisively promoting the people's standard of living and expediting overall socialist construction by managing the county assiduously and waging the struggle to enhance its role.

Enhancing the responsibility and role of guiding functionaries is an important requirement arising before the thorough implementation of the great leader Comrade Kim Il-song's behest.

Functionaries are the core forces of our party and the commanding staffs of the revolution. We cannot think of the struggle for the implementation of the party's policies without the role of guiding functionaries.

Today, the fighting spirit and enthusiasm of our party members and workers who have risen for the implementation of the great leader Comrade Kim Il-song's behest are very high. The question depends on how our functionaries organize and mobilize the masses. Only when the functionaries correctly guide and organize the masses' revolutionary zeal in their forefront, can the miracle be created in the struggle for the implementation of the party's policies. This can be clearly seen in the experiences demonstrated by the functionaries of the Chonchon County Commercial Management Office and the Maengsang County.

All functionaries should be fully aware of their lofty mission and heavy duty that lie before the party and the revolution, and actively organize and mobilize party members and working people to implement the great leader Comrade Kim Il-song's behest.

Holding aloft the party's banner "Let the entire party go deep into the masses!" the functionaries should strongly encourage the workers to a new struggle and feat by going into the midst of the masses, eating at the same table with them, and waging political work positively.

Functionaries should always share joy and sorrow with the masses according to the great leader's [suryong] work method and should work hard to break through their bottlenecks with profound humanity and warm human appeal. Functionaries should become the people's true servants by being the first to muscle into and find a breakthrough in difficult, hard work, doing more work than anybody else, and returning more benefits to the people. In doing so, they should become standard bearers by embodying our party's politics of benevolence, thus flattering the loyal enthusiasm and revolutionary spirit in every sector and every post of socialist construction.

In order to thoroughly implement the great leader Comrade Kim Il-song's behest, the role of the party organizations should be enhanced in every way.

The party organizations at all levels are the political staff that holds the responsibility of and organizes the implementation of party policies at their given units.

The party organizations should regard the implementation of the great leader Comrade Kim Il-song's behest as the most important revolutionary task and subordinate everything under this. Especially, they should concentrate their efforts on the tasks that should be carried through, including the implementation of the party's revolutionary economic strategy. The party organizations should intensely wage the organizational political work to propagate among party members and workers the great leader Comrade Kim Il-song's behests that were given to their sectors and units. What is important here is teaching the party members and workers to clearly realize the question of what has been already carried out and what should be in the future in the great leader Comrade Kim Il-song's teachings; the question of what should be immediately carried out and what should be in the future, and what are the concrete ways and means to carry them through.

In the struggle to carry out the great leader Comrade Kim Il-song's behest, the party organizations should organize and wage all the works on the basis of political guidance.

The party organizations at all level should thoroughly implement the great leader Comrade Kim Il-song's behest to the end without the slightest degree of vacillation by endlessly deepening the work of summing up and reassigning the conditions for carrying through the great leader Comrade Kim Il-song's behest.

The party organizations should closely link the organization and guidance on the party life of functionaries and party members with the practical struggle to implement the great leader's behest and carried them out. Thus, they should develop the process of party life into the course of implementing the revolutionary tasks. All functionaries should make an especially strong demand for organizational work to thoroughly implement the great leader Comrade Kim Il-song's behest and should brilliantly lead the work.

Today, while the revolutionary tasks appearing before us appear very difficult and grand, our victory is certain. With the great leader [yongdoja] Comrade Kim Chong-il's tested leadership, and the great leader Comrade Kim Il-song's behest illuminating our future road, we can carry out whatever task and can triumphantly advance socialist construction.

All functionaries and party members should firmly unite around the great leader [yongdoja] Comrade Kim Chong-il in a single mind and intent and thoroughly implement the great leader Comrade Kim Il-song's behest. By doing so, they should make our country, our fatherland, more rich and prosperous.

Release of Scientific, Educational Films Reported

SK1503052195 Pyongyang KCNA in English 0458 GMT 15 Mar 95

[FBIS Transcribed Text] Pyongyang, March 14 (KCNA)—The Korean Scienfitic and Educational Film Studio has recently released scientific films.

The scientific film "Concrete Railway Sleepers" introduces the structure, safety, production, installation method and economic effectiveness of sleepers.

The sleepers can be made easily without metal reinforcement and are convenient to be installed. 20 tons of steel and 1,500 cubic metres of timber will be saved in every one kilometre railway line.

The scientific film "Dried Bean Milk" introduces the good, production process and economic effectiveness of dried bean milk newly studied by scientists.

It is good for digestion and absorption. It tastes and smells like cow milk.

The scientific films "Agricultural Knowledge No. 16", "Cultivation of Potato After Maize" and "Anbyon Agaric" are helpful toward giving a wealth of technical knowledge to agricultural working people and increasing agricultural output.

Notably, anbyon agaric, one plant of which weighs 7 to 8 kilograms in general, 15 kilograms at maximum, draws the great attention of the people.

Besides, the studio produced scientific films of various themes which will contribute to the implementation of the revolutionary economic strategy of the Workers' Party of Korea.

South Korea

U.S.-DPRK 'Hot Line' Reportedly in Operation

SK1603084595 Seoul KBS-1 Radio Network in Korean 0805 GMT 16 Mar 95

[YONHAP from Washington]

[FBIS Translated Text] A U.S. Government source reported that the United States and North Korea are operating a hot line for direct contact in case of emergency. The source, well versed in North Korean affairs, stated the need to establish a hot line between the United States and North Korea was put forth around May when the United States was considering military action against North Korea; the two later established and are now operating the line.

The source reported that Assistant Secretary of State Robert Gallucci sent a fax to Pyongyang through this line, and the establishment of the Korean Energy Development Organization was recently reported to North Korea via this line.

However, asked whether a hot line exists between the United States and North Korea, a U.S. State Department official denied its existence last week, saying there is no other channel between the two sides other than the North Korean mission to the United Nations.

Denials, Comments on Report

SK1603085195 Seoul YONHAP in English 0840 GMT 16 Mar 95

[FBIS Transcribed Text] Washington, March 16 (YONHAP)—The United States and North Korea are operating a hot line for use in case of emergency, a U.S. Government source said Wednesday [15 March].

The source well-versed in North Korean affairs said the hot line was installed to meet the need to have a communication channel linking the two countries sometime after last May when the United States sought the possibility of military actions against the Communist country in connection with the North Korean nuclear issue.

"Outwardly, however, the U.S. Government would deny the existence of a hot line," he said.

Actually, a U.S. Government official denied it last week when asked about the hot line, replying that "there is no other contact channel with Pyongyang than that being done through the North Korean mission to the United Nations."

Another official also said last week he had never heard about the existence of a hot line. He is presently dealing with Korean affairs at a research institute assisted by the U.S. Congress and has visited North Korea before.

The source said, "Pyongyang could have direct telephone contacts with Washington even in the past if and when Pyongyang had wanted to. [quotations as received] He added, "The hot line was installed because Washington felt it necessary to have a communication circuit on hand in case there was any eventuality."

He maintained U.S. Assistant Secretary of State Robert Gallucci, who is in charge of North Korea's nuclear affairs, used to facsimile to Pyongyang through the hot line.

"For example, the Washington government recently notified North Korea of details related to the establishment of the Korean Peninsula Energy Development Organization (KEDO) through the hot line," he insisted.

The source claimed that some other American figures deeply involved in North Korean affairs have separate communication channels on their own, that can be immediately connected when deemed necessary.

But he did not make any reference to what role the hot line played when the relations between the two countries were strained over North Korea's grounding of an American Army helicopter in the northern side of Korea's Demilitarized Zone late last year.

Another official at the State Department said he did not know whether there was a hot line between the two countries, adding "It is not difficult to install the line. For instance, American figures involved in North Korean affairs can easily communicate with Pyongyang via Canada. [quotations as received]

But it is still impossible for ordinary citizens here to make a telephone call to North Korea, despite Washington's easing of communication restrictions toward the socialist country under the Geneva nuclear agreement reached between the two countries.

U.S. Researchers Report DPRK Missile Bases

SK1603055295 Seoul TONG-A ILBO in Korean 15 Mar 95 p 3

[By Yi Chae-ho from Washington]

[FBIS Translated Text] It has been learned that North Korea has at least 12 missile test-fire sites and underground missile bases throughout its whole area, including the two Scud missile brigades in Singye, North Hwanghae Province, and in Okpyong, Kangwon Province, near the Military Demarcation Line.

This was disclosed in a report submitted by (Greg Geradi) and (James Plot), senior researchers responsible for the program to prevent nuclear proliferation (PNS) at the Monterey Institute for International Affairs (MIIS), at a seminar held in Washington on 14 March, entitled, "Prospects for Peace on the Korean Peninsula."

Researcher (Plot) stated in the report on 14 February that North Korea has various missile bases, such as an underground missile base in Myongchon, North Hamgyong Province; special missile troops and "Nodong" missile test-fire site at Togol in Chongjin city and an area near the city; a missile test-fire site in Musudan, North Hamgyong Province; and a Scud missile brigade in Sariwon, South Hwanghae Province.

Quoting Central Intelligence Agency documents, which recently became unclassified, they predicted in the report that "it would take at least 10 years for North Korea to develop intercontinental ballistic missiles (ICBM's) that can load chemical weapon warheads, and that it would also take 10 or 15 years to develop ICBM's that can load nuclear warheads."

DPRK Conventional Military 'Threat' Analyzed

SK1603123195 Seoul CHOSON ILBO in Korean 16 Mar 95 p 3

[Editorial: "Nuclear Threat Is Not the Only Threat from the North"]

[FBIS Translated Text] The military threat from North Korea comes not only from nuclear weapons. Well before the nuclear question was raised, North Korea's superior military capabilities over South Korea had been clearly pointed out in research conducted by internationally recognized professional organizations. In recent days, while public attention was focused only on the nuclear weapons of North Korea, it was disclosed that Pyongyang is also applying spurs to the development of conventional weapons in preparation for a conventional war.

According to a report issued by a U.S. military expert, North Korea has established 12 missile bases in the area near the cease-fire line and along the coast of North Hamgyong Province. In addition, North Korea reportedly ranks fourth among world countries in terms of the number of submarines it possesses. North Korea is also developing biochemical weapons to the extent these threaten us more than nuclear weapons. We cannot but construe this as supporting a recent analysis that, although it now suffers economic difficulties, North Korea is not slowing its increase in military capabilities.

Why is the North doing this? We should find the correct answer. With regard to military strategies, its diversionary activities are basic. We should determine if we are failing to detect such basic operations by our opponent. As a result of the end of the Cold War, people have taken the optimistic view that there is no possibility of total war breaking out on the Korean peninsula. Under these circumstances, North Korea has been augmenting its conventional weapons. Maybe this is because North Korea has been looking forward, seeing a situation in which North Korea can solve the South-North question with force of arms as seen in ethnic conflicts in various parts of the world.

In terms of South-North relations, we believe South Korea has beaten the North, citing economic and material statistics. However, it may be the North has won the political and spiritual battle. It may also be the North believes the slackened discipline in South Korea is a vulnerability for our side. The North terms the ROK its main enemy while attempting to improve relations with the United States and Japan. Under these circumstances, we in the South are gradually coming to regard the North not as our main enemy. This may lead the North to miscalculate in a reckless manner.

The North has already succeeded in raising its voice in the international community because of the nuclear question. Although the North's augmentation of conventional weapons may not lead to total warfare, such an augmentation will be very helpful for the North to raise its voice in its relations with the South. If an agreement on the supply of light-water reactors for the North is not signed by 21 April, another difficult situation will inevitably raise its head. The North's threat by conventional weapons will display its might under such circumstances, too. Therefore, aside from the nuclear question, we should raise questions concerning the North's missiles, submarines, and biochemical weapons and should take measures to cope with these.

'Researcher' on Stability of Kim Chong-il Regime

SK1603112895 Seoul YONHAP in English 1038 GMT 16 Mar 95

[FBIS Transcribed Text] Seoul, March 16 (YONHAP)—The Kim Chong-il regime of North Korea would survive post-Kim Il-song difficulties and enjoy stability for some years, a researcher at a prestigious public institute claimed Thursday [16 March].

Yi Chong-sok, a senior research fellow at the Sejong Institute, said that therefore there is little possibility that the regime would crumble or be overthrown in a violent action in the foreseeable future.

Yi made the claim in his latest book entitled "An Understanding of Contemporary North Korea—Thought, System and Leaders."

"North Korea has already begun to regain stability thanks to steady support from China and the change of the U.S. and Japan policies toward North Korea from pressures to cooperation and support," he said.

China, he said, has been expanding its support for North Korea as a means of containing the United States and exercising influence over the Korean peninsula.

Besides China fears that any collapse of the North Korean system may pose a threat to the socialist system of China.

The United States and Japan, also, have jettisoned their policy of putting one-sided pressures on North Korea in favor of cooperation with and support for Pyongyang.

Internally, Yi said, Kim Chong-il enjoys the service of a number of dedicated aides who either studied at Mangyongdae Institute, are the children of the veterans killed in the Korean war, or three revolutionary squads members.

North Korea's economy which had been in a critical condition since the close of the 1980s, has begun to improve lately owing to support from China, he said.

In addition, the mechanism of social control that controls and filtrates outside information, functions fully to become another factor behind the stability of the Kim Chong-il system.

"Under the circumstances, the Kim Chong-il regime would survive long through some changes, and even if it collapses, it would only be replaced by another communist regime without accompanying the demise of the basic communist system," Yi said.

NUB Releases Statistics for N-S Trade in Feb

SK1603095795 Seoul YONHAP in English 0859 GMT 16 Mar 95

[FBIS Transcribed Text] Seoul, March 16 (YONHAP)—Inter-Korean trade last month surged 30.4 percent from 13.55 million U.S. dollars in January to 17.67 million dollars, with a total of 43 approved items.

The government's approvals for purchases from the North amounted to 15.95 million dollars with 23 items in February, up 70.4 percent from a month ago, while those for shipments to the North reduced to 1.72 million dollars with 23 items, down 58.9 percent, according to the "Trend of Inter-Korean Trade in February" released by the National Unification Board (NUB) Thursday [16 March].

A total of 30 South Korean companies took part in the transactions which took place in such intermediary countries as Hong Kong, China and Japan, the NUB said.

Shipment of steel and metals from the North greatly increased, while that of raw materials for processing-on-commission (POC) to the North reduced, a NUB official explained.

The POC performances permitted by the government totaled 725,000 dollars with 31 cases, down 71.5 percent over the previous month, the official said.

Seoul Encourages Firms' Joint Visits to DPRK

SK1603032795 Seoul YONHAP in English 0203 GMT 16 Mar 95

[FBIS Transcribed Text] Seoul, March 16 (YONHAP)—The government plans to promote businesses' joint visits to North Korea to promote "orderly and effective" inter-Korean economic cooperation, a government official said Thursday.

The official said such joint visits are necessary, as most small- and medium-sized companies wishing to do processing-on-commission business in the North are planning to dispatch only one or two representatives.

The six businesses, whose plans to visit North Korea were accepted by the government of late, therefore, will be encouraged to group together in two teams in accordance with their business lines.

The first three companies heading for North Korea in a few days are Haeduk Express Co., Sansu Beverages Co. and Taeho Construction Co. the other three are Hyosung Corp's Hong Kong Ltd., Cheil Food and Chemicals' Hong Kong Ltd., and Yon Hung Overseas Corp.

The official foresaw that a growing number of small businesses is expected to take part in the projects for inter-Korean economic cooperation.

"Their joint visits to North Korea, instead of individual visits, will be of great help to the orderly economic cooperation between South and North Korea," he commented.

Foreign businesses wishing to invest in North Korea's Najin-Sonbong Free and Economic Trade Zone are organizing joint survey teams in most cases, whereas South Korean businesses are tending to be somewhat competitive with each other, he noted.

Pak Confirms Reports of Attempted Assassination

SK1603082195 Seoul YONHAP in English 0610 GMT 16 Mar 95

[FBIS Transcribed Text] Seoul, March 16 (YONHAP)—Sogang University President Pak Hong, upon his return home from Rome Thursday [16 March] morning, verified as true a foreign press report that there was an attempt to assassinate him.

Pak told reporters at Kimpo International Airport that he met a South Korean student studying in Germany who had been trained by North Korean authorities to murder him. He declined to disclose the details.

"Since last July, North Korea has been scheming to assassinate South Korean Government leaders and rightist leaders who have criticized Chusapa (followers of the North's chuche or self-reliance ideology). This was reported in the North's NODONG SINMUN several times," he claimed. The NODONG SINMUN is the organ of the North Korean ruling Workers' (Communist) Party.

The Belgian daily LE SOIR reported Monday that North Korea, in an attempt to assassinate Pak Hong, won over a South Korean student studying in Germany, trained him in marksmanship, and ordered him to kill Pak. But the attempt failed when the student confessed to Pak immediately before executing the order, the Belgian paper said.

Pak is an outspoken advocate of vigilance against North Korea sympathizers in the country.

U.S. Trade Official Remarks on Market Situation

SK1603025895 Seoul THE KOREA HERALD in English 16 Mar 95 p 8

[FBIS Transcribed Text] The United States will continue to wield its "Super 301" clause of the U.S. Trade Act in bilateral economic sectors that the new World Trade Organization (WTO) does not cover, said a U.S. official yesterday.

"The Super 301 is thus a WTO-compatible and it is a legal mechanism with which U.S. companies can file their complaints," said Robert B. Cassidy, assistant U.S. Trade Representative (USTR) for Asia and the Pacific.

Cassidy made the remarks in an explanatory session on the USTR's trade policy toward Korea for local businesses.

He said the Seoul government needs to speed up its trade and investment liberalization.

"Resistance to global liberalization will lead to greater bilateral trade conflicts and lost investment," Cassidy said.

Saying the Korean marketplace has a reputation of being an unfavorable environment to do business among U.S. investors, he called for Korea's simplification of investment screening process.

Visible impediments to investment have been only modestly reduced and the investment screening process was streamlined, but it has more room to be improved, he said.

He said that some sectors previously closed to foreign investors were opened, but many industrial sectors of interest to U.S. firms still remain closed. "Cargo loading and unloading services are limited to firms with no more than 49 percent foreign equity. The January 1995 liberalization of freight agency and brokerage services excludes air freight. Approval of the operation of air terminal facilities sectors may only be applicable for the new Seoul airport which is not scheduled to open until 2002."

While the global community has seen a reduction in Korea's visible trade barriers such as tariffs and quotas over the last decade—a process to be continued by the Uruguay Round commitments, more subtle barriers involving standards, licensing, certification, rule making and import processing have increased, he said, adding that these disputes have dominated bilateral agenda between Korea and the United States.

He also raised complaints in Korea's regulations on testing of medical devices which impose testing requirements that differ by designated laboratory.

"More importantly, the customs service insistence on physically inspecting each medical device risks contamination," Cassidy said, adding that the U.S. industry estimates that about $200 million in trade in medical equipment exports is hampered.

He also called for Korea's full protection of computer software, adding that Korea's ability to attract high-tech investment depends critically on the protection of owners of patents, trademarks and copyrights.

The degree of Korean financial liberalization still falls far short of what is necessary to support a growing and vibrant economy, he said.

Touching on the telecommunications sector, Cassidy said that the United States would take trade action if Korea fails to comply with the Korea-U.S. telecommunications agreements by the end of this month. "We are in the process of completing our review of Korea's compliance with our bilateral telecommunications agreements."

Seoul Posts $524 Million Deficit With U.S.

SK1603030195 Seoul THE KOREA HERALD in English 16 Mar 95 p 8

[FBIS Transcribed Text] South Korea recorded a trade deficit of $524 million in its trade balance with the United States in January, the highest red-ink figure ever on a monthly basis.

The previous record high was a $473 million deficit marked in January 1992, the Korea Foreign Trade Association (KFTA) said yesterday.

South Korea's imports from the United States rose 10.1 percent from a year earlier to $1,495 million in January and its exports to the American country soared 26.4 percent to $2,019 million for a trade deficit of $524 million.

The January red-ink figure represents about 51 percent of the country's 12-month aggregated trade deficit in 1994 with the United States standing at $1,025 million.

Accordingly, the United States emerged as the No. 2 trade deficit country for South Korea in January, after Japan with which the country had a trade deficit of $789 million in the same month.

Machinery topped the list of South Korea's imports from the United States with $334 million worth (up 91.8 percent from a year ago), followed by agricultural products with $295 million (up 48.2 percent), industrial electronics goods with $236 million (up 62.5 percent), electronics parts with $234 million (up 47.5 percent) and paper products with $70 million (up 62.2 percent).

Ministry: Farming, Fishing Trade Deficit Rises

SK1603081195 Seoul YONHAP in English 0606 GMT 16 Mar 95

[FBIS Transcribed Text] Seoul, March 16 (YONHAP)—South Korea's trade of farm products and fish last year suffered a deficit of 5,667 million U.S. dollars, up 12.2 percent from 1993 and representing 89.5 percent of the nation's total trade deficit of 6,335 million dollars, according to the Agriculture, Forestry and Fisheries Ministry.

Exports increased 10.5 percent to 3,048 million dollars and imports 11.6 percent to 8,715 million dollars.

The increased imports were due to the wider market opening: 46 items were newly placed on the automatic-approval import list to increase the market opening ratio, the number of importable items expressed as a percentage of the total items on the market, from 89.9 percent in 1993 to 92.4 percent last year.

While imports of livestock, farm products and fish soared 33 percent, 16.1 percent and 34 percent to 932 million dollars, 4,493 million dollars and 727 million dollars, respectively, those of forestry products fell 5 percent.

In particular, imports of foodgrains, vegetables, beef, dairy products, sea breams and shrimp rose sharply—280 percent, 130 percent, 30.8 percent, 342.8 percent, 200 percent and 266.9 percent, respectively.

Japan emerged as the largest import market, accounting for 66 percent of the total imports, followed by the United States with 6.1 percent and Hong Kong with 5.4 percent.

The United States was the largest export market with 24.3 percent, followed by China with 13.7 percent and Indonesia with 8 percent.

Ministry Sends Letter to WTO About Offer List

SK1603032395 Seoul THE KOREA HERALD in English 16 Mar 95 p 8

[FBIS Transcribed Text] Korea is willing to improve its offer list for the multilateral financial negotiations of the World Trade Organization this month, but only if other countries take corresponding steps, the Ministry of Finance and Economy said.

In principle, Seoul will liberalize and deregulate the domestic capital and foreign exchange markets according to its third-phase financial deregulation and market-opening program, called "blueprint," and a separate foreign exchange reform plan, officials said.

It also will provide market access and national treatment to all countries under the most favored nation (MFN) principle of the WTO.

However, whether to include such positions in Seoul's offer list, to be submitted to the WTO's Committee on Trade in Financial Services meeting March 28, will be considered only if there are similar concessions from other participants, the officials said.

The government delivered their position to the WTO secretariat yesterday, by which date all member nations were supposed to send improvements or modifications of their existing offer lists submitted in December 1993.

"Korea made considerable concessions in the list made two years ago despite difficult situations and has faithfully kept its promises," said Kum Chong-yun, director of the ministry's financial cooperation division.

For instance, the government raised the stock investment ceiling for foreign [as published] from 10 percent to 12 percent last year and expanded the certificate of deposit issuance limit of foreign banks in Korea from 250 percent of their net worth to 400 percent this month, Kum said.

"Foreigners have demanded that Korea include all contents of blueprint (financial reform plan) and foreign exchange deregulation into the offer list, to make it multilateral pledges that cannot be canceled under any changes in domestic situations," Kum said.

The foreigners particularly, want to see Seoul's pledge to further raise the foreign stock investment limit to 15 percent of a company's equity be stipulated in the offer list, he said. If that's a problem, the foreigners are calling for Seoul to expand the equity holding limit in investment-trust units and investment counseling companies to 20 percent.

The Committee on Trade in Financial Services will hold a meeting March 28 and major member nations will hold several bilateral talks before and after the committee meeting. They will hold one or two additional meetings next month, the results of which will be compiled and submitted to the secretariat.

Actual negotiations will be completed by the end of April and the participants will reflect on the results of the talks in their final offer list by June 30, Kum said.

Seoul, Nicaragua Exchange Note on Visa Waiver

SK1403071095 Seoul YONHAP in English 0621 GMT 14 Mar 95

[FBIS Transcribed Text] Seoul, March 14 (YONHAP)—South Korea and Nicaragua exchanged Tuesday a note to waive visa requirements between the two countries which will be effective from April 8, the Foreign Ministry said Tuesday.

The note signed in San Jose, Costa Rica, by South Korean Ambassador to Costa Rica Yi Chong-su and Yi's Nicaraguan counterpart in San Jose, will allow people from each country to stay in the other country for up to 90 days without visas unless they are engaged in profit-making activities, according to the ministry.

Those with a seaman's pocket ledger will be allowed to stay in the other country for a maximum of 15 days to enter the country at ports where their ships are anchored, according to the ministry.

Diplomats assigned to each country will be exempt from visa requirements during their tenure.

President Meets With Cabinet, Senior Secretaries

SK1603033495 Seoul YONHAP in English 0253 GMT 16 Mar 95

[FBIS Transcribed Text] Seoul, March 16 (YONHAP)—President Kim Yong-sam reemphasized Thursday that the forthcoming local elections "must be conducted in a fair manner by sternly punishing every lawbreaker or anyone rigging the election."

The instruction was issued at a Chongwadae breakfast meeting Kim shared with all the cabinet members and his senior secretaries, the first such occasion since he returned home Wednesday from a two-week European tour.

The chief executive made the remarks after joyfully noting that "the citizens are now able to save nearly 20 billion won (about 25 million dollars) in tax money thanks to the passage of a revision bill to the integrated election law through the National Assembly," Presidential Spokesman Yun Yo-chun said.

The amendment bill passed by parliament Wednesday through a bipartisan compromise bans political parties from fielding candidates for councilmen of counties, small cities and wards of big cities, and thereby reduces election subsidies paid to political parties out of the national treasury.

Regarding his European tour, the president said, "as the European Union (EU) is the world's single largest market, we can hardly develop our economy without cooperation with the EU. My European tour this time has opened a new chapter in our cooperation with the EU, thereby opening a gate for our globalization."

He then urged the cabinet to see to it that the agreements he reached with the heads of government he met during the tour will be carried out.

Kim cited as a major outcome of his tour that support has been secured for the country's bids to become a non-permanent member of the United Nations Security Council and a member of the organization for economic cooperation and development.

The president is to share a lunch at Chongwadae Thursday with National Assembly Speaker Hwang Nak-chu, Supreme Justice Yun Kwan, Prime Minister Yi Hong-ku, Constitutional Court President Kim Yong-chun and Democratic Liberal Party Chairman Yi Chun-ku to brief them on his 14-day tour of Europe.

Over the lunch, Kim is expected to express his determination to continuously promote reforms in the course of implementing the administration's globalization policy and call for concerted endeavors from all walks of life.

Kim is also expected to urge them to exert themselves to ensure fairness in the June 27 local elections.

DP's Internal Candidates Nomination Criticized

SK1603075995 Seoul YONHAP in English 0525 GMT 16 Mar 95

[FBIS Transcribed Text] Seoul, March 16 (YONHAP)—A new controversy is emerging between rival political parties over the opposition Democratic Party (DP)'s alleged "internal nomination" of its candidates to run for the elections of councilmen in the primary autonomous units.

The ruling Democratic Liberal Party (DLP) poured criticism Thursday [16 March] on the DP's alleged nomination of its candidates, which is banned under the revised integrated election law.

DLP officials pointed out that the main opposition party internally nominated some candidates on Wednesday, the day when the amendment bill to the election law was passed by the National Assembly.

A senior DLP official charged that the DP's action runs counter to the principles of the bipartisan agreement to the disputed issue, saying those persons who have been formally nominated by the DP will inevitably be punished under the amended law.

DP Spokesman Pak Chi-won refuted that the party's nomination of the candidates "is possible as of March 16 (Thursday)" and disclosed that his party will not engage in the "nomination procedures" when the revised law is formally proclaimed.

But he hinted at the possibility of the party's allowance of "internal nominations" after the proclamation of the law, saying "we may undergo internal procedures in nominating the candidates when deemed necessary after the law is promulgated."

The DP's Chonju-Wansan District chapter in North Cholla Province reportedly announced Wednesday eight candidates to run for the posts of councilmen for the city's local autonomy.

DLP Spokesman Pak Pom-chin blasted that the opposition party's nomination of candidates in those districts runs counter to the spirit of the bipartisan agreement.

Home Ministry Announces Civil Defense Drill

SK1403071795 Seoul YONHAP in English 0300 GMT 14 Mar 95

[FBIS Transcribed Text] Seoul, March 14 (YONHAP)—The year's first civil defense drill will be held across the country for an hour starting from 2 PM Wednesday [15 March], focusing on disaster prevention exercises under an assumed earthquake.

The drill, under an imaginary tremor measured 5 or more on the Richter scale, will be conducted at 393 places in 245 cities, counties and wards of large cities.

Over 81,000 local residents will participate in the anti-disaster exercises, in which 14 helicopters and 570 fire trucks will be mobilized, the Home Ministry said.

Ministry Decides To Produce Antiaircraft Gun

SK1403073495 Seoul CHUNGANG ILBO in Korean 14 Mar 95 p 2

[By reporter Kim Min-sok]

[FBIS Translated Text] The Ministry of National Defense has decided to begin manufacturing the "Piho" 30-mm antiaircraft gun in 1996 and plans to allocate 20 billion won for the project. The "Piho" is an armored-car-mounted antiaircraft gun developed by our own technology.

The ministry started developing the new weapon in the early 1980's and completed the project in 1992. The low-altitude "Piho" antiaircraft gun, whose range is 3 km, combines an antiaircraft gun with an armored car.

The price of the "Piho" is 3.5 billion won per unit. Kia Engineering Co. will manufacture main bodies; Daewoo will manufacture the armored cars; and Samsung Electronics will manufacture shooting control devices.

Seminar Held on Computer System Security 16 Mar

SK1603082495 Seoul YONHAP in English 0700 GMT 16 Mar 95

[FBIS Transcribed Text] Seoul, March 16 (YONHAP)—Amid the increasing intrusion into computer networks around the world, the Agency for National Security Planning (NSP) is moving to cooperate with foreign intelligence agencies to fight computer crimes.

The NSP is also planning to take a set of computer system security measures, including the establishment of a security control center and a system intrusion fighting team for each of the five national on-line information networks—administration, banking, education, public security and defense.

In a seminar on computer system security held Thursday [16 March] afternoon, the NSP said it was planning to create technical ties with intelligence and investigation agencies of the United States, Japan, Germany and other countries to fight computer crimes, such as system intrusion.

In November, a young British hacker invaded the computer system of the Korea Atomic Energy Research Institute.

Attending the seminar sponsored by the NSP were 13 computer scientists, including Prof. Kim Se-hun of the Korea Advanced Institute of Science and Technology.

Poll: Majority Agree on Need for Judicial Reform

SK1603082695 Seoul YONHAP in English 0450 GMT 16 Mar 95

[FBIS Transcribed Text] Seoul, March 16 (YONHAP)—Most of the people agree on the need for reform [of] the nation's judicial system, regarding the judiciary's service for the people to be poorer than that of other state organizations, an opinion poll revealed Thursday [16 March].

According to the poll conducted by The Korea Research, an organization surveying public opinions, about 83.4 percent of the respondents agreed to reform the judicial system and 78.1 percent complained about "difficulty" in acquiring legal service of lawyers.

The Information Ministry commissioned the nationwide poll to The Korea Research, which telephoned 1,000 men and women of the age of 19 or older.

About 40.5 percent of the pollees said the judiciary's service towards the people is poor, while only 12.8 percent said the service is good.

Ministry: 1994 Land Prices Remained Stable

SK1603090495 Seoul YONHAP in English 0827 GMT 16 Mar 95

[FBIS Transcribed Text] Seoul, March 16 (YONHAP)—Land prices remained stable across the country last year, falling by only 0.57 percent in general and by 0.78 percent in residential areas.

This was disclosed Thursday [16 March] by the Ministry of Construction and Transportation which surveyed the price of 450,000 lots across the country to determine government-set land prices from Jan. 1 last year.

The highest government-set land price of 132,232,000 won (169,746 U.S. dollars) per pyong (one pyong equals 3.3 square meters) is registered by the site of the Myong-tong branch of the Commercial Bank of Korea in Myong-tong, downtown Seoul.

This lot has commanded the highest land price in the country since Jan. 1, 1990 when the government initiated its annual land price survey for the purpose of calculating government-set land prices. The price represents a decline of about one million won per pyong below last year.

The highest price of 8,099,210 won per pyong among residential lots is located in Nonhyon-tong, Kangnam-ku, southern Seoul. The same lot was highest in price among residential lots last year as well.

In industrial areas, a section of Mullae-tong, Yongdungpo-ku, Seoul has the highest government-set price of 6,611,600 won per pyong. Among agricultural areas, a section of Songnam city, Kyonggi Province is most costly at 1,487,610 won per pyong. In forests, an area of Songsan-tong, Mapo-ku, Seoul commands the highest price of 694,220 won per pyong.

The lowest land price of 100 won per pyong is registered by forests in Hadong-kun, South Kyongsang Province.

The Construction and Transportation Ministry is to publicize government-set prices of land across the county next Tuesday.

Land prices set by the government serve as the standard for evaluating the compensation price of land bought for the execution of public projects and also as a yardstick for general land transactions.

Minister Views Broadcasting Development Plan

SK1603120295 Seoul YONHAP in English 1028 GMT 16 Mar 95

[FBIS Transcribed Text] Seoul, March 16 (YONHAP)—Information Minister O In-hwan said on Thursday [16 March] his ministry will fix and announce a five-year plan to develop the nation's broadcasting programs some time before July this year.

"The plan will feature the promotion of cable television and satellite broadcasting and the resolute decontrol of broadcasting programs to build up their international competitiveness," he said in a testimony at the Assembly Culture, Sports and Information Committee.

For the development of cable television, O said, a set of steps will be taken soon to complete installing CATV transmission facilities and also to resolve the short supply of converters.

"We expect that five additionally authorized CATV channels will begin service and about 1.5 million households will subscribe to the cable television by the end of the year," the minister said.

On the ABC [expansion not given] system for the public assessment of newspaper circulations, Minister O said the outcome of an initial circulations assessment will be made public in a few months.

The government will work out ways for the ABC to raise its operation funds by itself, O said.

Burma

Minister Leaves for Forestry Meeting in Rome

BK1503053895 Rangoon Radio Myanmar in Burmese 1330 GMT 14 Mar 95

[FBIS Translated Text] A Myanmar [Burmese] delegation led by Lieutenant General Chit Swe, member of the State Law and Order Restoration Council and minister of forestry affairs, left this evening for Rome via Bangkok to attend the first ministerial meeting on forestry affairs and the 12th forestry affairs technical committee meeting to be held in Rome, Italy.

NLD Leaders Tin U, Kyi Maung Go Free

BK1503124895 Rangoon Radio Myanmar in Burmese 1200 GMT 15 Mar 95

[From the "News in Brief" program]

[FBIS Translated Text] In honor of the golden jubilee Armed Forces day, 31 male detainees—two from Insein Central Jail, three from Mandalay Jail, 25 from Tharawaddy Jail, and one from Toungoo Jail—against whom action was taken under existing laws and who were serving their sentences, have been released today after their remaining sentences were commuted in accordance with Section 401-1 of the Criminal Procedure Code.

It has been learned that U Tin U and U Kyi Maung [both former chairman of the opposition National League for Democracy, NLD, Party] were among those released.

Rangoon Forces Continue Khun Sa Base Attack

BK1603031195 Bangkok BANGKOK POST in English 16 Mar 95 p 7

[FBIS Transcribed Text] Chiang Rai—Burmese gun positions continued to bombard Khun Sa strongholds for the second day yesterday, forcing some 200 Burmese civilians to seek shelter in Thailand, according to a report handed to Chiang Rai Governor Khamron Bunchoet.

The report said Rangoon forces were using 105mm and 120mm artillery and mortars from fire bases at Pang Ma-o and Pang Ko around Doi Hua Mae Kham opposite Thailand's Mae Pha Luang Subdistrict.

The bombardment started Tuesday evening and was continuing late yesterday. Exchanges of gunfire were clearly heard on the Thai side.

A Border Patrol Police unit located near the war zone reported that a number of Burmese troops had entered Ban Nakae, a Muser village, yesterday to recruit porters.

Villagers fled into Thailand to join tribe people from Ban Laba and Ban Malakha who crossed the border Tuesday, bringing the total number of refugees to 200.

Most of the refugees are being sheltered at a temporary holding centre at Ban Pha Hi in Mae Chan District.

A source with Khun Sa's Muang Tai Army said 21 Burmese troops had been killed, including a major and captain who died on the way to Tachilek Hospital late Tuesday night.

"We believe the Burmese troops will step up their attacks because they want to win the battle before March 27 and present the victory to the State Law and Order Restoration Council to mark the 50th Army Day," the source said.

"This is why the Government has mobilised as many as 10 battalions of about 3,000 men with modern weapons probably supported by China, in the operation."

Mr Khamron called an urgent meeting of several units yesterday to work out measures to maintain security along the border area.

Karen Rebels Blamed for Attack on Gas Pipeline

BK1503013195 Bangkok BANGKOK POST in English 14 Mar 95 p 8

[FBIS Transcribed Text] A small armed unit of fewer than 10 Karen rebels is responsible for last week's attack on a natural gas pipeline being built by French oil company Total in which five workers were killed and 11 others wounded, rebel sources in the area said.

The armed rebel group was from the 10th battalion under the Karen National Union's [KNU] 4th Brigade which is in charge of Tavoy and Mergui districts the sources said.

The 10th battalion commander is Maj. Saw Keroe whose armed men operate along the proposed gas pipeline from the sea to the Thai border, the sources said.

The 10th battalion which is located opposite Sai Yok district of Kanchanaburi was directly responsible for the attack at Kanbauk village on Wednesday.

The killed and the wounded were in a convoy of vehicles heading for the proposed gas pipeline for a survey, said the sources.

This small armed unit had sneaked into Kanbauk village which was heavily guarded by Burmese soldiers and launched the attack with RPG rocket launchers and light machineguns.

In another development, the rebel sources said that five of the 20 Burmese army battalions protecting the railroad and gas pipeline constructions in Ye and Mergui districts have been sent to wipe out the KNU's Kanele makeshift camp, southeast Burma, near the Thai border of Phop Phra district.

The five battalions were reported to have reached the surrounding areas and are preparing to launch an attack.

Brunei, Malaysia & Singapore

Malaysia

End of Trade Dispute With Britain Viewed

BK1603103295 Kuala Lumpur Voice of Malaysia in English 0810 GMT 16 Mar 95

[Station commentary]

[FBIS Transcribed Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed's statement that the trade row between Malaysia and Britain was over once and for all must be taken positively. His remarks demonstrate Malaysia's willingness to continue building the strongest possible ties with Britain. British businessmen should take his words for granted, for Malaysia keeps its promises.

Dr. Mahathir's statement was therefore an unequivocal gesture of reconciliation to London to signal the end to the Kuala Lumpur-London trade crisis. For months last year, multibillion dollar trade between Malaysia and Britain hung in the balance when Kuala Lumpur barred British companies from getting government contracts. Malaysia's move was in protest against baseless British press reports accusing certain Malaysian officials of seeking kickbacks from a British company bidding for a project in Malaysia. No doubt certain companies vying for infrastructure projects in Malaysia lost out, but all is not lost. There are still many infrastructure contracts which have yet to be awarded and British firms can bid for these large scale projects.

Malaysia has always regarded Britain as its base for trading in Europe, but it was forced to take such a course of action as it had no choice. Otherwise the allegations of bribery and corruption would have continued. It is hoped that both sides would forget past problems and get on with the job of boosting joint economic cooperation. British companies also realize that investment opportunities are too good for them to miss. This was evident even during the ban where British trade mission continued to visit Malaysia to seek trade and investment opportunities. Now that the ban is over, it would perhaps bring about an element of predictability in two-way ties.

International consultants have rated Malaysia as one of the safest places to invest and it has very few security problems. Malaysia has been grouped in the same league as some developed nations such as Switzerland. The consultants went on to say that the trade ban did not affect the security of British or other foreign businesses and businessmen. The boycott only underscored Malaysia's position in asserting its right firstly in the face of insult.

Against this backdrop, it should be business as usual from now on, what more with the endorsement from prime minister himself. In fact, Malaysian and British firms should explore the possibility of testing the potentials in emerging markets such as Eastern Europe. British companies, with their technology and financial expertise, should consider participating in Malaysian companies' reverse investment initiatives. There is much to be gained from joint collaboration. What has happened in the past is inevitable and lessons should be drawn from it.

Malaysia is only too willing to trade with Britain, but it is not going to stand idle on the face of unjust accusations and at the expense of its integrity. After all, it has every right to defend itself.

Singapore

President Rejects Ramos' Appeal on Maid

BK1503134695 Singapore Radio Corporation of Singapore in English 1100 GMT 15 Mar 95

[FBIS Transcribed Text] President Ong Teng Cheong has turned down Philippine President Fidel Ramos' appeal to postpone the execution of the Filipina maid convicted of murder. This is according to a statement issued by the Singapore Government today. The maid, Flor Contemplacion, was sentenced to death in April 1994 for the murder of a Filipina national, Delia Maga, and a four-year-old boy, Nicholas Wong.

President Ramos' appeal had been based on fresh evidence by former Filipina worker in Singapore Emilia Frenilla. Miss Frenilla had accused the employer of the murdered maid Delia Maga of killing her after he found his son dead from an epileptic fit. According to Frenilla, Maga's employer then fabricated a story that Contemplacion, who was visiting at that time, had committed the murder.

However, the Singapore Government found the new evidence to be untrue. Firstly, Nicholas Wong, the four-year-old who was murdered, had no history of epilepsy according to his doctor. Secondly, Nicholas' father had made no mention of Contemplacion in his statement to the police much less fabricated story to implicate her. And thirdly, it was the police who identified Contemplacion as the suspect after going through Maga's diary. Fourthly, Contemplacion herself had led the police to the place that she had hidden items belonging to the murdered maid. And fifthly, Nicholas' father and uncle do not speak a Malay dialect as alleged by Frenilla. Contemplacion had declined to testify during her trial in January 1993, but she admitted to the killings at a hearing before the Court of Appeal last April where fresh evidence was submitted to reduce her conviction from murder to that of manslaughter.

The Foreign Ministry said it is watching the situation very carefully after its Manila embassy received threats which appeared to be motivated by the case. It has informed the Philippine Government about the threats which were also made against Singaporeans in the Philippines. The ministry was responding to queries by the media and by Singaporeans planning to travel to the Philippines. Its spokesman said Singaporeans going to the Philippines have been advised to register themselves with the Manila embassy.

Cambodia

Donor Countries Renew Aid 'Without Condition'

BR1603112995 Paris LIBERATION in French 16 Mar 95 p 11

[Report by Romain Franklin: "Donor Countries Renew Economic Aid to Cambodia"]

[FBIS Translated Text] "We cannot allow a failure of the peace process in Cambodia," asserted the Japanese representative at the end of the International Conference on the Reconstruction of Cambodia [ICORC] which wound up yesterday in Paris, "because it is extremely important for ensuring peace in southeast Asia, and even in all of Asia."

Faced with the perception that so much is at stake, economic aid given to Cambodia by about 40 countries and international institutions could only be continued. For 1995 and 1996, it totals about $1.35 billion, in other words an annual amount comparable to last year ($773 million). These estimates given by Cambodian officials yesterday, however, still had not been officially confirmed by the evening. France moves from third to second place in terms of aid donors for 1995, with aid totalling 250 million French francs, behind Japan ($69 million).

Despite the criticism voiced the day before yesterday by several human rights organizations, the ICORC allocated its aid extension "without condition," according to Cambodian Finance Minister Keat Chhon. The human rights situation in Cambodia was not, in any event, on the agenda, with donor countries limiting themselves to inviting the government to speed up the setting up of a "state of law" in Cambodia.

Khmer Paper To Close; Printing Costs Cited

BK1603091195 Phnom Penh THE CAMBODIA DAILY in English 9 Mar 95 p 6

[FBIS Transcribed Text] REAKSMEI KAMPUCHEA, considered to be the best Khmer-language newspaper in the country, will close down next week, the paper's manager said yesterday.

The paper, the only Khmer-language daily concentrating on mainstream news, will cease publication on Wednesday [15 March] due to problems involving the cost of printing abroad, Lao Sokun said in a statement.

Printed in Bangkok and owned by Thai Boon Ma, son of businessman magnate Thai Bon Rong, REAKSMEI KAMPUCHEA is also said to have lost tens of thousands of dollars in the past few months due to plummeting circulation.

Founded after the signing of the Paris Accords in 1991, the paper was printing nearly 30,000 copies per day at its peak. Now, its circulation has dropped by more than 50 percent with estimates of its daily print run ranging between 5,000 and 10,000, according to several sources familiar with the paper.

Many observers attribute the circulation drop to increased competition since the paper's inception when it was one of only three or four newspapers in Cambodia. The Khmer Journalists Association now lists almost 30 newspapers and other periodicals published in the country.

Others attribute the loss in circulation to economic hardships faced by many Cambodians who have recently seen the price of staples such as rice rise following devastating flooding late last year.

But the statement made no mention of circulation problems and instead explained the closure by listing five problems the paper faced in being printed abroad. Those included paying import taxes and physically transporting the contents to Bangkok and the finished product back.

REAKSMEI's employees will be paid half of their salaries for half of the month of March and an extra month's compensation, according to the statement and advertisers who have paid in advance for future ads will be able to get their money back Wednesday. The last issue will actually be published on Sunday and the staff in Bangkok will return to Phnom Penh with the final edition.

"On behalf of the newspaper's director, I would like to take this opportunity to express my thanks to all the staff had made efforts to help the newspaper to be run," the statement said.

Interview With King Sihanouk Published

Views Khmer Rouge Doctrine

BK1603090595 Phnom Penh THE CAMBODIA DAILY in English 6 Mar 95 pp 1, 2

[First in series of King Sihanouk's "exclusive" interviews with CAMBODIA DAILY Publisher Bernard Krisher and Editor Barton Biggs under the rubric: "Sihanouk Speaks: Part I of V"; for Part II, see East Asia Daily Report 15 March]

[FBIS Transcribed Text] *In his first interview since returning to Cambodia in early January, King Norodom Sihanouk offered candid commentary on issues as varied as the Khmer Rouge, the upcoming International Conference on the Reconstruction of Cambodia in Paris, and succession to the throne. Following is the first installment of questions and answers from the King's exclusive interview with CAMBODIA DAILY Publisher Bernard Krisher and Editor Barton Biggs, conducted during his recent stay in Siem Reap. (Copyright 1995 by Bernard Krisher)*

Q: Your Majesty, at one time you felt the Khmer Rouge could be brought into a government of national reconciliation. Do you still hold that view?

A: No...In the past they said they had a doctrine, they led a revolution to benefit the little people. But now they have become killers, terrorists, they burn homes and destroy villages belonging to the poorest Cambodians, the peasants, who have lost everything. Now even the poor people attack them.

Q: So there is no opportunity for them any longer to join the Cambodian community?

A: Certainly not. There is an impasse because both co-prime ministers, Ranariddh and Hun Sen, opposed my idea of bringing a few Khmer Rouge into the government, aimed at forcing them to lay down their weapons and join the national community, and the Khmer Rouge themselves are not interested in returning to the national community until the fall of Ranariddh and Hun Sen. However, there is a phenomenon now: the Khmer Rouge defectors are increasing. The government provides them and their families full amnesty, good treatment and their officers are accepted into the Royal army. The U.S. government is encouraging such defections by providing food and other aid to them. Instead of accepting them into the government, Ranariddh and Hun Sen prefer to bring the Khmer Rouge into the army.

Q: How do you view these defections?

A: The question is whether they are sincere or just agents of Pol Pot infiltrating into the army. I can't judge their sincerity. We had a drought this year, producing little rice. The Khmer Rouge may want to create more difficulties by sending more people to be fed by the government. They may also want the government to appear to be more interested in feeding the defectors than in feeding the rest of the population, the innocent people, victims of the Khmer Rouge. That is why I concentrate on helping the Khmer Rouge victims rather than the defectors.

Q: Will the small hardcore Khmer Rouge leaders, who continue to plot terrorist incidents which hinder tourism and investments, finally be isolated and wiped out, or will Cambodia be burdened by them indefinitely?

A: The Khmer Rouge have lost all their supporters in Cambodia. Their so-called supporters, students and some politicians, who still maintain they should be integrated into the government, are just frustrated people who wish to handicap the government. I don't say that we have a very good government; its has its weaknesses and failures...but the Khmer Rouge committed political suicide by voluntarily losing their last supporters, the small people. They are now mere terrorists who can however survive more or less as in all countries where such bandits and gangsters exist.

Q: Will there be a dramatic change in the power of the Khmer Rouge once Pol Pot dies?

A: Yes there will be a change because Pol Pot is really the number one man responsible for the mad, deadly revolution in Cambodia. Pol Pot is extremely dangerous, mad like Hitler. Hitler disappeared and with him went the main leaders: Goering, Goebells and Himmler.

Q: But they were tried at Nuremburg.

Yes they were tried. But the rest disappeared, without influence. They could no longer play an important role in German society. Ieng Sary; the cruel commander of the Khmer Rouge army, Ta Mok; Son Sen; Nuon Chea, the main leaders after Pol Pot, won't be important. The movement will be condemned to death after Pol Pot. They can survive only as terrorists, gangsters and bandits, and in that sense can delay the rebirth of modern Cambodia. Rich, western countries such as the United States are determined to help us rebuild. Inspite of that we have to suffer their terrorism. They cut off railway lines and blow up bridges—just as terrorists inflict harm in Europe and the Middle East. This is what we fear most. Consequently, I can no longer support them nor accept them into the national community after they have attacked the poorest of our people and burned their villages.

Discusses ICORC Aid

BK1603085895 Phnom Penh THE CAMBODIA DAILY in English 8 Mar 95 pp 1, 2

[Third in series of King Sihanouk's "exclusive" interviews with CAMBODIA DAILY Publisher Bernard Krisher and Editor Barton Biggs under the rubric: "Sihanouk Speaks: Part III of V"]

[FBIS Transcribed Text] *Critics of Cambodia's government have labeled it corrupt and charged that various human rights, including freedom of the press, are being threatened. Some of those same critics are now calling on international donors, who will meet March 13-15 in Paris for the International Conference on the Reconstruction of Cambodia (ICORC), to attach conditions to aid pledges. King Norodom Sihanouk, in a recent interview with CAMBODIA DAILY Publisher Bernard Krisher and Editor Barton Biggs, addressed these issues.*

Q: What is your reaction to calls from some people to the donor nations at ICORC to set up conditions tied to providing aid for Cambodia?

A: I don't know what will the result will be because the donors may set certain conditions before our government. These conditions may include the struggle against corruption, mismanagement, the poor handling of economic affairs. Everything should be cleaned up, no ambiguities...They will also stipulate that we respect human rights, adhere to our constitution regarding liberties and freedom of expression, and they will be concerned about the safety of their nationals.

There is another question that disturbs our government. As the ICORC session takes place in France, we cannot ignore that French public opinion is very hostile to our government because one French tourist, his name is Braquet, was killed alongside an Australian and a British man in a very cruel fashion by General Paet, the Khmer Rouge commander in kampot. The French don't want to donate much because of the mishandling of the affair by our government and army, they say.

And last but not least you have the affair of commander Rin, the number two Khmer Rouge commander in the Kampot region, who led the attack on the train and the kidnapping of the three tourists but has since defected from Paet's division and been promoted into the Royal army. Rin didn't kill the three Westerners, but he commanded the unit which attacked the train and kidnapped the three men, delivering them to Paet. The French, Australians and British are very disturbed to see Rin so well treated by the Royal government...

Besides this affair there is also the Sam Rangsi affair. Sam Rangsi is certainly a remarkable statesman, but he is also too daring. He attacks all the time Ranariddh and Hun Sen and the Royal government. It's not good for him because he creates a division and a crisis. The political atmosphere is not good. I don't want to persuade him to be quiet, but we should not exaggerate anything...In every matter we have to be reasonable. Not to exaggerate things. Moderation. Wisdom. Not so stormy, not too dynamic, not too harmful to your enemy. Even if you have good reason to criticize your government, you shouldn't be extremist in your criticism. I don't criticize Rangsi, but it seems he doesn't accept to be reasonable, moderate, so I fear one thing: he will create a crisis in Paris when the ICORC takes place there.

Q: What are the conditions which create corruption and what can be done to stop it?

A: Corruption is a phenomenon that has become "classic" among the great majority of our countries on our planet. Even in the very developed and civilised countries, such as Italy and others, the scandals caused by corruption are the "current coin." I personally have never been corrupt. I wanted, in the fifties and sixties, to limit to the maximum the potential of corruption in the government and administration. My battle became one of the principal causes of my deposition in March 1970 by the Lon No-Sirik Matak junta, which hastened to have me condemned by one of their courts for "crimes of corruption and economic sabotage."

Alas, there is no remedy in Cambodia to cure the "illness of corruption." Even the Khmer Rouge are the arch corrupters since they have and are shamelessly selling off our country's national resources—our precious stones and timber. Only a very Buddhistic self-denial of worldly goods could liberate Cambodia from corruption. But who is willing to live by Buddha's real doctrine?

Q: How do you feel about the prospect of greater control over the press?

A: The Cambodian press is not very good. It thrives on insults, calumny. The majority of our journalists were not educated in journalism. They slander our leaders, call their wives unfaithful. We must educate them so journalism is something that people will not despise but respect. But there are mistakes from both sides. The government lets people kill journalists and practices a priori censorship. That is not good either. In a liberal democracy journalists and writers should not be forced to present their articles or manuscripts to the authorities prior to publication.

Q: Do you consider Cambodia's a fragile democracy?

A: It is very fragile because there are still many non-democratic behaviors among some individuals. But that does not mean I will accept to assume power. I will remain a constitutional king until I die. I fear, however, this fragile democracy might one day lead to a dictatorship, but not by Sihanouk. Maybe by one man or one party. I don't know who will be the dictator. If the democracy fails it will lead to a dictatorship. This is the reason we need assistance. Since the ICORC donors have the means to persuade the government to become really democratic, I believe ICORC is in a position to get something from the Royal government as a promise to improve our democracy. To make it genuine.

Supports 'Liberal Democracy'

BK1603065495 Phnom Penh THE CAMBODIA DAILY in English 10-12 Mar 95 pp 1, 2

[Last in series of King Sihanouk's "exclusive" interviews with CAMBODIA DAILY Publisher Bernard Krisher and Editor Barton Biggs under the rubric: "Sihanouk Speaks: Part V of V"]

[FBIS Transcribed Text] *Critics of Cambodia's government say hopes that the UN-sponsored elections of May 1993 had laid solid foundations for a Western-style democracy have been dashed by leaders who have stifled opposition, cracked down on the press, and do ne little to limit human rights abuses in the country. On the other hand, King Norodom Sihanouk, in a marked departure from his actions as Cambodia's autocratic head of state during the 1950's and 60's, has become an outspoken advocate of what he refers to as "genuine liberal democracy." In this last installment of a wide-ranging interview with CAMBODIA DAILY Publisher Bernard Krisher and Editor Barton Biggs, the King discusses his change of heart and again voices support for the liberal democratic system, which he says will inevitably prevail around the world.*

Q: There are some leaders in this region—in Malaysia, Singapore, Indonesia and other countries—who have quite openly invited Cambodia not to pursue the democratic path but suggested instead a so-called Asian way regarding limitations on press freedom, human rights or opting for a one-party system. How do you regard this Asian model?

A: As far as Cambodia is concerned I must tell you two things: One, in the fifties and sixties I was elected under free elections under the CIC [Commission Internationale de Controle] with India as the chairman and Poland and Canada as members. In order to run in the elections I abdicated the throne to my father and I won the elections. There was then a party like Lee Kuan Yew's. I was like Lee Kuan Yew. I was like Mahathir. I was like Suharto. So I cannot criticize them because I was like them. They might say, "Oh, we imitated Sihanouk" [laughter].

And Ranariddh says all the time: "You criticize us but my father was like Lee Kuan Yew, like Mahathir and Suharto, it is the reason why he could have a good Cambodia, quiet and peaceful, and we could then make progress in every field of national construction. But you impose your liberal democracy, which is a Western creation not in conformity with our aspirations, our nature as Asians or Southeast Asians."

So I repeat, I cannot criticize them because they were my younger...my successors as powerful, if not dictatorial, leaders. I was called a dictator, too, so I keep quiet about it.

Today Cambodia has only one choice: liberal democracy, Western-style. When I say Western-style, it is not accurate because the concept of liberty, of freedom, of democracy is the same for all mankind. We cannot say it is specifically for Western and not Asia, because black or yellow or red or white skins, we are all mankind. We shouldn't say it is imported from the West, we must say, we have simply to make a choice whether to have a real, genuine liberal democracy or not. That's all.

Each country has the right to choose its own path, its own way of governing and administering. We have chosen freely to abide by a unanimous decision to make Cambodia a liberal democracy. Only the Khmer Rouge decided afterwards not to abide by their promise. We must keep them aside but all the other parties—those of Son Sann, Ranariddh, Hun Sen and Sihanouk himself—we promised each other to make Cambodia a very advanced liberal democracy in order to have reasons to be proud, in order to give a good example to the Third World.

In Asia, Africa, and Latin America there are very few examples of genuine democracy. On the contrary, they are predominantly dictatorial, so we would like Cambodia to present a very good image to the world, the best possible. And we must abide by our unanimous decision.

Q: You seem to tolerate opposition much more than you did in the sixties. What accounts for your tolerance now to criticism?

A: I accepts opposition because my conscience tells me I am right, not wrong. My only problem is to be en regle avec [preceding three words in French] my conscience—to be correct vis-a-vis my conscience.

Q: In the sixties Your Majesty was much less passionate about freedom and democracy. What caused such a dramatic transformation?

A: It was developed in exile and also through old age. Because we are Buddhist, when you get old you must prepare for the other life and concentrate more on social and humanitarian affairs—on non-violence, peace, wisdom.

Yes, l'age. Ca fait quelque chose, ca l'age [preceding seven words in French] (age has something to do with it). According to Buddhist tradition if you get old and are not wise, you are not a good man. To be wise is to be far from power, from violence. You must be like a monk, to work for peace, only peace, reconciliation, for permanence and with compassion, to be in solidarity with the poor and to help them. We must prepare for the other life and to alleviate the weight of the karma. The karma, according to Buddhism, is the summing up of your good acts and also your bad acts. The good acts must outweigh the bad ones. So, in the last part of your life you must not concentrate on politics and power but on what is good for mankind.

Now (Cambodia) must follow the trend of the liberal democracies. This is a new trend and we must modernize ourselves. We are condemned to death if we do not follow this trend. The future of mankind does not belong to dictators, even good kings as dictators, but to democracies. The power of the people will prevail. Not a communist power, the real people.

Khmer Rouge Condemn Vietnamese Influence

BK1603063895 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 14 Mar 95

[Communique by the spokesman of the Ministry of Immigration Dealing With the Influx of Vietnamese Into Cambodia of the Provisional Government of National Union and National Salvation—dated 14 March; read by announcer]

[FBIS Translated Text] One. The two-headed government, puppet and traitor, through the lips of Sar Kheng, police chief of communist Vietnam's puppets, and at the order of communist Vietnam, has openly and insanely allowed vast numbers of Vietnamese nationals to continue flowing into Cambodia.

Two. The Cambodian nation and people and the Provisional Government of National Union and National Salvation [PGNUNS] have issued continuous official statements and communiques clearly affirming their views and position on the issue of ethnic Vietnamese in Cambodia, which in fact is a war to annex Cambodian territory through the influx of Vietnamese nationals.

The Cambodian nation and people and the PGNUNS have categorically rejected all agreements between communist Vietnam and Cambodian puppet traitors that affect Cambodian independence, sovereignty and territorial integrity, including the agreement between Ranariddh and the Hanoi communist Vietnamese in January on selling off the nation.

Now, on behalf of the PGNUNS representing the Cambodian nation and people, the spokesman of the Immigration Ministry, which deals with the influx of Vietnamese into Cambodia, has most heavily denounced again communist Vietnam and its out-and-out lackey, the two-headed government, for continuing to allow Vietnamese to annex and exterminate the Cambodian nation, people, and race.

Three. The United States, Australia, France, Britain, Germany, Japan, Hong Kong, and many other Southeast Asian countries have used drastic measures to expel immigrants, particularly Vietnamese, from their countries. This is because this issue of ethnic Vietnamese is strangling these societies and creating complex problems. The danger of 4 million Vietnamese to small and poor Cambodia is a lot more serious than the immigrant issue for these big and rich countries. The Cambodian nation is victim to and is being annexed by the communist Vietnamese, as were Kampuchea Kraom, Champa, the Australian aborigines, and the Indians in the United States.

Therefore, the Cambodian nation and people, in cooperation with the PGNUNS, have the right to defend themselves for survival. The Cambodian nation and people, in cooperation with the PGNUNS, have the right to take all necessary measures to deal with the issue of 4 million Vietnamese in their country, just like other countries around the world.

The Cambodian nation and people oppose and categorically fight the two-headed government with Hun Sen, Ranariddh, Chea Sim, and Sar Kheng as ringleaders, who are lackeys of communist Vietnam and serving communist Vietnam's annexation strategy for Cambodia.

Four. As for all consequences resulting from the influx of ethnic Vietnamese into Cambodia, communist Vietnam has to be fully responsible; it should not complain and has no right whatsoever to protest. As for the villainous alliance and various nongovernmental organizations, they should stop helping Vietnam slaughter the Cambodian nation. The Cambodian nation and people have never committed aggression against anyone; they only want to live in peace as a nation with its own identity. In this sense, the Cambodian nation and people are pooling their forces to continue the struggle for genuine peace and national reconciliation and to solve the issue of 4 million Vietnamese in Cambodia. We will work to resolve this issue once and for all.

14 March 1995

The spokesman of the Immigration Ministry Dealing With the Issue of Vietnamese in Cambodia

Indonesia

Suharto Reviews European Tour

BK1503133895 Jakarta Radio Republik Indonesia Network in Indonesian 0500 GMT 15 Mar 95

[FBIS Translated Text] President Suharto and his entourage arrived in Jakarta at 0824 West Indonesian Time [0224 GMT] today after visiting Denmark, Croatia, and Bosnia-Herzegovina. The vice president and Mrs. Sutrisno as well as several cabinet ministers welcomed the presidential entourage at Jakarta's Halim Perdanakusumah Airport.

Suharto briefed reporters on the outcome of his visit to the three countries while still aboard the Garuda Indonesian Airlines DC-10 airliner. He said he had taken part in the Education for All conference attended by nine countries and the World Summit for Social Development in Copenhagen. Regarding Sarajevo, the president said the goal of the visit was to see the actual situation there so Indonesia can play an active role in solving that country's problems. The president thanked almighty God that his visit to Sarajevo had been safe and successful. Suharto also expressed his gratitude to the UNPROFOR [United Nations Protection Force] personnel serving in Bosnia-Herzegovina.

Suharto Proposes Yugoslav Confederation

BK1503153495 Jakarta ANTARA in Indonesian 0943 GMT 15 Mar 95

[FBIS Translated Excerpt] Jakarta, 15 Mar (ANTARA)—President Suharto has proposed the establishment of a confederation of former Yugoslav states as a solution to their conflict.

"The proposal has been accepted by Croatia and Bosnia-Herzegovina," the head of state told reporters aboard the DC-10 plane during the return flight from Croatia to Jakarta. The head of state and Mrs. Suharto visited Zagreb 12-14 March at the invitation of the Croatian Government. He also made a four-hour trip to Sarajevo on 13 March.

"We will soon dispatch a delegation to other former Yugoslavia states, namely Serbia, Slovenia, Macedonia, and Montenegro to explain the idea to them so they will not cast suspicion on us," said the president.

After the death of President Josip B. Tito in 1980, Yugoslavia adopted collective leadership. However, the country broke up later with Serbia and Montenegro claiming to be the successor of the former Yugoslavia, while the four others declared themselves sovereign states.

President Suharto said efforts by the United Nations and other countries to solve the problem have not been comprehensive. Indonesia believes that comprehensive measures need to be taken to solve the conflict and has proposed the establishment of a confederation.

"After the death of President Tito, Yugoslavia broke up and Bosnia, Croatia, Slovenia, and Macedonia proclaimed themselves to be sovereign states and were recognized by the United Nations. Serbia and Montenegro, which claim to be the successor of Yugoslavia, are not recognized by the United Nations yet," said the president during the news conference in the presence of Foreign Minister Ali Alatas, Minister-State Secretary Murdiono, and Armed Forces Commander General Feisal Tanjung.

The head of state said the establishment of the confederation must be based on the principle that recognizes the integrity of each state, and that provides protection to minority groups and cooperation for mutual benefit. If these conditions are met, an international conference can be convened and Indonesia is ready to be a facilitator.

"We do not want to be a mediator because the burden is too heavy and Indonesia is only ready to become a facilitator," said the president, who then recalled Indonesia's role as a facilitator in the efforts to solve the Cambodian conflict, which has since been successfully settled.

Indonesia believes that if an international conference is indeed convened, all parties currently involved in the move to settle the conflict, including the United Nations, must also take part. [passage omitted]

Hartono Hopes for Solution to Islands Dispute

BK1603063595 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 15 Mar 95

[FBIS Translated Excerpt] Army Chief of Staff General Hartono says there is hope that the dispute on the Sipadan and Ligitan islands between Indonesia and Malaysia will be solved. Speaking in Balikpapan yesterday, Gen. Hartono said he cannot disclose details of the two countries's positive moves to solve the dispute. He also confirmed reports that certain groups are trying to capitalize on the dispute and undermine the close ties between the two countries. Therefore, the Indonesian Armed Forces, especially the Indonesian Army, will take preventive measures to thwart the groups' efforts by forging close ties and cooperation with their Malaysian counterpart. [passage omitted]

Philippines

Ramos Interviewed on Results of Economic Reforms

MS1603105595 London THE EUROPEAN in English 17-23 Mar 95 p 19

[Report by Ian Verchere, incorporating interview with Philippines president Fidel Ramos in Manila; date not given]

[FBIS Transcribed Text] European investors targeting Asia's boom economies could soon discover another high-growth bonanza. As investments have poured into emerging markets such as Malaysia, Singapore, Thailand, Hong Kong, Taiwan, Korea and, of course, China, Europeans have tended to look upon the Philippines as an economic anachronism fraught with risk.

The reasons are not hard to find. Here was a resource-rich nation of 66 million mostly English-speaking people where, despite massive economic growth elsewhere in the region, the predatory politics and economic greed of a family-based oligopoly had undermined investor confidence in the country's long-term prospects.

This image was reinforced during the rule of President Ferdinand Marcos, an era of high-level corruption, autocratic government and an unhealthy dedication to the trappings and perks of political power.

Despite subsequent moves to reinstate democratic government, the picture has persisted of a politically unstable country dogged by natural disasters, crippling power failures, institutionalised graft, inadequate infrastructure and massive foreign debt.

Therefore, as President Fidel Ramos embarks on his second European visit in a year, claims that the Philippines is poised for an economic renaissance risked being greeted with scepticism. But judging by the level of interest among local companies and banks in meeting this West Point-educated Filipino, it is obvious that reports of a steadily improving business climate are being greeted with some credence by Europe's business leaders.

The reasons for this stem from a growing perception of Ramos as a disciplined, consensus politician who understands the importance of sound economic policies and stable government in attracting high- quality inward investment. That he is beginning to succeed on both fronts is borne out by the steady improvement in the country's macro-economic fundamentals since he took office in the depths of the power generation crisis in June 1992. In an interview with The European, the Philippines president said: "The first two years had to do with putting our economic policies in place plus solving the power crisis. What are some of these policies? Liberalisation, deregulation, privatisation and democratisation of the ownership of the blue chips in our society, especially those that come from government. We've also created a more favourable macro-economic environment coupled with unprecedented macro-economic performance. Last year, for the first time in our history, we had a budget surplus. This has created the resources needed for social reforms.

"Our exports grew at a rate of 19.7 per cent last year, our currency is strong and attaining its normal level through the interplay of market forces and not by government manipulation."

Policies are now focused on liberalising the economy through privatisation and the dismantling of monopolies, the removal of capital controls and the encouragement of foreign businesses to enter previously closed sectors of the economy.

These reforms helped achieve growth last year of 5.1 per cent, almost double the rate for 1993. This has been helped by a slowing of the inflation rate for the fifth successive month in January to a seven-year low of 6.2 per cent.

"Economic development," said the country s finance secretary Roberto de Ocampo, "must proceed with the private sector taking the lead and the public sector providing an environment in which this can flourish.

"President Ramos has developed a democracy where the executive and the legislative branches are working towards the same national and economic goals rather than the legislative gridlock of the past."

In mid-1994 the Philippines signed a three-year extension of its standby credit arrangement with the International Monetary Fund in exchange for a package of economic and fiscal measures aimed at sustainable, non-inflationary growth.

These included better tax collection, liberalisation of the banking sector, oil industry deregulation and the removal of trade barriers. The IMF expanded these targets in December as the economy achieved higher than expected growth.

According to the IMF's representative in Manila, Howard Handy, the "foundations of many of the ingredients of sustainable growth are already well-established in the Philippines. The central task is to keep up the momentum of reform".

Other healthy growth signs now being shown by this once lacklustre economy are a $720 million budget surplus in 1994, the first in 20 years; a debt ratio down to 22.4 per cent of exports; accelerating growth and slowing inflation.

The Philippines is increasingly set to benefit from the perception that Asia will remain the most dynamic economic region for the foreseeable future. Investors are looking, according to de Ocampo, for "countries such as the Philippines where the fundamentals are relatively sound and where they could possibly experience the kind of returns achieved or missed out by the then tiger economies".

Signs that this is already happening can be seen in a buoyant local stock market where volumes have trebled since the local exchanges merged into a newly constituted Philippine Stock Exchange in March 1994.

With a market capitalisation of some $56 billion—up 40 per cent on 1993—the PSE's membership today comprises 185 brokerage of which 33 are foreign, and trades the stocks of 191 listed companies.

As foreign participation in the local equities market has grown, so have demands for a cleaner trading environment. According to PSE president Eduardo de los Angeles, 11 complaints of insider trading and other irregularities are being investigated by local regulators, the first such inquiries in 60 years of local stock market activity. De los Angeles said: "The PSE an other regional exchanges are becoming aware of the need to outlaw insider trading if more foreign investment is to be attracted."

Two weaknesses that illustrate poor economic management are endemic tax evasion and chronically low savings. Savings and investment in the Philippines are under 20 per cent of GNP which is almost 15 percentage points lower than the booming economies of Thailand, Singapore, Indonesia and Malaysia. By granting full licences to ten foreign banks, the government hopes to increase competition and encourage a wider range of savings schemes.

In a country where only two million of the 13 million members of the state pension fund file tax returns, the IMF is pressing the Ramos administration to improve its accounts by broadening the tax burden through fiscal reforms. "We have a complicated, byzantine, bureaucratic tax system with a lot of discretionary areas between taxpayer and tax collector that facilitate graft and corruption," admits de Ocampo. Sweeping reform of direct and indirect taxation will focus on greater simplification and the elimination of bureaucratic corruption.

Another reason that Ramos is wooing European and Middle Eastern investors stems from the US withdrawal from its two huge Subic Bay and Clark Air Force bases in 1992. Paradoxically, this may be the best thing that could have happened, for not only has it removed the blight of prostitution that surrounded the bases but it has also jolted the country out of a post-colonial dependence on America that many believe undermined its self-reliance.

Ramos Interviewed on Ties With Turkey

NC1403132195 Ankara TURKISH DAILY NEWS in English 10 Mar 95 p B1

["Text" of an "exclusive interview" with Philippine President Fidel V. Ramos by TURKISH DAILY NEWS editors Ilnur Cevik, Rasit Gurdilek, Nazlan Ertan, and Burak Bekdil in Ankara on 9 March]

[FBIS Transcribed Text] TDN—What are your views about the spread of fundamentalism and do you perceive it as a threat for you?

Ramos—First of all, let me set the overall environment of our situation today, after which we will go on to the more specific issues of what we call terrorism and not fundamentalism. We do not like to associate four peaceful, law-abiding communities with terrorism. We just call (the separatist group) Abu Sayyad terrorists, who are a handful of people operating in a very remote area of the Philippines. Anyway, we have achieved a clear stance against this, meaning the National leadership which consists of the leaders of many political parties are collaborating with us (against terrorism.)

Looking at the short term, the midterm and the longterm, I see a creation of a modernized Philippines, which we collectively call Philippines 2000. We also have been able to establish a common position among our various classes through a policy of social reform. But in order to accomplish social reforms in housing, in the democratization of wealth we must embark on a very strong and aggressive economic restructuring.

We gave priority to this during the first two years of my administration, from June 1992 when my presidency started, to the end of 1994. The economic restructuring has resulted in our being able to turn our economy around, thus at the end of 1994 we were able to accomplish the growth in the GNP in real terms, dealing with inflation.

At the same time, for the first time in Philippine history, we were able to achieve a budgetary surplus of some 18 billion pesos, which we invested in massive privatization of nonconforming state operations or components thereof. Putting government assets up for public sale, including a 10 percent share of blue-chip stocks, and entering into the World Trade Organization, we are forecasting inflation of 5.1 percent for the end of 1995 and bringing the peso to a very stable condition in relation to the U.S. dollar and other hard currencies.

We also have successfully survived the shocks going on around the world, starting from the Mexican fiasco. We are very strongly linked with the rest of the nations in our region, we are glad to be a member of the Asian Pacific Economic Cooperation, made of 18 countries, in which we played a founding and integral part.

All of this taken into account together has created a very favorable atmosphere for economic takeoff, for social reform and of course for strong links with countries in our region and with the rest of the world.

TDN—The Pacific basin is growing in importance as an economic trade bloc, what are the implications of this for world economy in general and what can we, as Turkey, do to enhance this kind of relationship?

Ramos—Let me first establish the basics of our relationship with Turkey. We are very thankful to the Turkish government for the strong support to the government of the Philippines in the Organization of Islamic Conference (OIC) where you have consistently recognized the Philippine government itself as the representative of the Filipino people and not the Moro National Liberation Front. Having said that, we want to inform you that through the good officers of the OIC, primarily your six-nation committee, we have been able to get into a very successful peace process with the southern separatists represented by the Moro National Liberation Front headed by Professor Nuri Suari.

We are holding talks with two other insurgent groups, the Communist Party of the Philippines and its Militaria in the New People's Army. The third group is with the Militaria rebels who took part in seven unsuccessful attempts during the administration of Ms. Aquino from 1986 to 1989 and the leader of the group, who turned around to join the Legal Parliamentary Struggle as they call it by running for the Senate in May 1995. The importance of enhancing Turkey-Philippines relations is obvious to us who are involved. We meet at important crossroads, those of history, religion and of geography. We are here at the middle of Europe and Asia, we are out there in Pacific Asia, which most agree constitutes the most dynamic economic growth area in the world today, and we are fortunate as a people to be at the geographic and strategic center of all of them.

As for the Philippines and the APEC [Asia-Pacific Economic Cooperation] area, it is a part of a very large component of the Asian continent. As for those in South America, Latin America—we were governed by Spain for almost 400 years through Mexico—there is the famous Acapulco-Manila trade pact that took place for two centuries. With what is not Asia and South Pacific, meaning, Asia, Australia, New Zealand, we also have very close historical and cultural links. On top of all of that, we have some two million Filipino expatriates, migrants, professionals and workers, that is, some of which are here in the Middle East, some in Turkey, most in Saudi Arabia, in Kuwait and in the United Arab Emirates. So there are the links that we have with the world, Turkey included. We consider them as very favorable factors for the continuation of our relations.

The opportunities for a country like Turkey to make way to Asia and the Pacific through the Philippines are there, though maybe not as visible and this is what we intend to develop during this short visit to your great country.

TDN—You have a prospering economy, the figures go to prove this and the general trends in your area show great signs of future prosperity. Within this context, what can Turkish businessmen do in your country or in its neighboring countries?

Ramos—I think there are agreements that are good starters for our Turkey-Philippines relations. We have one of your companies, ALARKO, which has a Philippine partner collaborating to develop some $20 million worth of power-generating capacity. It is a very good complement to our export products which we must enlarge. We have a very strong exporting balance, and the same is true with garments exports and electronic components, software, office furniture and housewares products.

As for Turkey, we see you as the steady supplier of metals and other materials which we only have short supplies of in our industries. And there is certainly quite a bit of cooperation that can be achieved in technology transfer and in manufacturing.

Some of our scholars have studied in Turkey and now we would like to invite some of your students to study in the Philippines. We have shared the establishment of the APEC center for small and medium enterprises where we have all of the great economies—the U.S., Canada, Australia, China and five other countries in Asia—of which the center has been established in the south of Manila, right next door to our big industrial area of Karabarson.

TDN—Coming back to the separatist movement, do you feel it is outside-funded and could you point at any country?

Ramos—Based on our studies, official investigations and personal contacts, we know that there is no one government supporting this. There are terrorist and separatist groups in some countries that have been known to support such actions by supplying logistics, finances and firearms. The same is valid for the communist movement in the Philippines. But we are assured by the governments concerned that these are not official acts. We have had very severe problems before when firearms were being smuggled through our southern border but this was largely the work of pro-rebel groups operating outside our country. We have been able to stop most of this by way of intensified diplomatic undertakings with our neighbors. Our borders are all maritime in nature, therefore it is very difficult to have police control on these soft borders, as we call them.

In Turkey you have a similar situation but there more borders—with six countries—including some sea borders. It is our duty as governments to eliminate these cross-border intrusions through cooperation and support of our neighbors and this is happening now.

TDN—There was a recent crisis with China over the Spratlys Islands where you had a troop buildup. What is the latest situation?

Ramos—We did not have a troop buildup for we have none to do so, even the biggest navy in the world could not cover our entire border—our coastline is twice as big as that of the U.S.—and with the coming in of the UN Convention on the Law of the Sea and the recognition of our exclusive economic zone "EEZ", the problem becomes even more complicated. In this particular case, we did confirm that there was the building of some structures well within the 200-mile exclusive economic zone. We have checked this out on the basic reference of Janes volume on fighting ships and it was confirmed daily from our Air Force. We have put the question before Filipino, as well as Chinese panels.

Our assisted policy in Asia, that among the so-called rival partners of Asia—18 countries involved—is that we have all resolved to adhere to a policy of the peaceful resolution of any conflicts in the China Sea islands. We have also agreed to undertake the joint exploration and development of the resources of the region to the benefit of all parties. It is suspected by everybody that there could be oil and natural gas reserves there.

Aside from that, the Spratlys are in the middle of what is now one of the world's most traveled seaways in the high seas in the same way that you have one of the most heavily traveled waterways in this part of Asia and Europe.

TDN—Mr. President, you have led with Ms. Aquino a popular movement to overcome a corrupt family in your country. As a populist native, what would you advise for countries who are run with such corrupt families? What should they do?

Ramos—It is difficult for us to prescribe a formula for any other country. Nevertheless, Ms. Aquino came in and the public supported her. I was the vice chief of staff of the Armed Forces and chief of the National Police. Joined by the religious community, we overthrew the dictatorship which was in power for 14 years. We have sought to recover what we consider to be public money that has been under the control of Mr. Marcos and his family which still exists in many venues all over the world. Now during my administration, we have also engaged in a very thorough investigation, looking into loans and so-called deals of that period, to end before 1996, by way of recovering those concessional loans given to certain companies and individuals at the same time from certain government officials who may have been responsible for making these deals possible. Furthermore, we are still thinking it right to prosecute and collect from tax evaders and government officials involved in corruption. On top of all this, we have a presidential commission against corruption that will help take legal action against those who were and still are corrupt in the government.

TDN—Do you think when such corruption happens in a country the newly installed administration should go after the criminals or should it just forget about the past and make a fresh start?

Ramos—You have to prosecute the criminals because we want to completely eliminate this practice in our government. We want the bureaucracy to always operate for the welfare of the people, not for the welfare of government officials.

We do need the resources for our economic growth but also social reform. We have a great number of people who are poor in the Philippines, we are addressing their needs to create a higher standard of living. But social reform needs resources, we aim to maximize them in order reach our above-mentioned goal. We will naturally make a very strong appeal at the Copenhagen Summit to democratize the resources available in the hands of the more advanced countries so that poorer countries like the Philippines can profit from them. The Philippines is for now the chair of the Group of 77, which holds 130 developing countries. We have that seat, we have that responsibility and intend to voice on behalf of all of them this very urgent need for the sharing of resources.

We also were the fourth country in the Asia Pacific Social Development Conference a few months ago and being in the Pacific we are expected to articulate to the world at the Copenhagen Summit our needs and concerns so that humankind can survive in a brighter, more prosperous way within a sustainable framework.

TDN—With the demise of the Soviet communist empire, we have seen the world transformed from a bipolar world to a single polar world and there were high expectations that a new world order could be established. Well, until now there is no sign of this. What kind of a new world order would you envisage and are you happy with this kind of uncertain atmosphere in the world?

Ramos—I can only point to what is happening in our region, which now enjoys unprecedented peace, stability, and for some of the more advanced economies, unprecedented prosperity. We in the Philippines are enjoying this as well but we are not in the same league as a prosperous region yet, that takes quite a bit of doing, but we feel we are on the right track. It is only a matter of time until we join the ranks of the "tiger economies" of Asia. I feel we should put aside notions like "superpower rivalry" and concentrate on the improvement of conditions. Just like Turkey the Philippines remains very faithful to fulfilling its obligations toward the United Nations. We have been in many peacekeeping actions, sometimes with Turkey. We were in Cambodia, we are now in Haiti and what modest share we can contribute to keeping peace in the democracies of the world we will. Coming back to the "formula," if people put peace in the world and comparable prosperity to the fore for the poorer countries in the world I think we will all achieve a much brighter future for our respective peoples and the people of the world.

Thailand

Chuan Downplays Impact of Dollar Depreciation

BK1503142495 Bangkok Radio Thailand Network in Thai 1200 GMT 15 Mar 95

[FBIS Translated Text] The current decline of the U.S. dollar has been attributed to external rather than domestic factors, and the situation is likely to remain like this for a short time. Prime Minister Chuan Likphai noted that the fluctuation is settling down:

[Begin Chuan recording] We have already discussed the issue of the change in the exchange rate of the dollar. We noted that things have began to settle down lately. Therefore, we believe the situation will only be temporary. The decline was not caused by internal factors such as politics or economics, which remained normal the entire time. The economy in particular has been reported to be good, without any problems. We think it was caused by external factors. [end recording]

Asked about any adjustments planned to keep the baht on par with the U.S. dollar, the prime minister said there is no need for that because the value of the baht is relatively strong:

[Begin Chuan recording] As for the value of the baht, of course it is strong. We have no plans to make any adjustment. You can be assured of that. [end recording]

Central Bank Reaffirms Currency Policy

BK1603065695 Bangkok THE NATION in English 15 Mar 95 p B14

[Report by Charuwan Loetwinyu]

[FBIS Transcribed Text] The Bank of Thailand yesterday reiterated that its policy to fix the Thai baht against a basket of currencies will not be altered.

The strong vow came as Senior Assistant Governor Chaiyawat Wibunsawat denied a report that the International Monetary Fund (IMF) has suggested that the bank steer its monetary policy towards a slightly weaker baht against the falling US dollar, so that the current account deficit problem can be solved sooner.

Chaiyawat also said IMF did not mention that Thailand's current account deficit is a chronic problem. On the contrary, the agency said the current account deficit occurs out of high investment, not a low savings rate.

Chaiyawat quoted the IMF representatives as saying that Thailand's savings rates are not modest. But because of the high investment, the country runs into the problem of a current account deficit.

The IMF said that investment is necessary as long as the money is geared towards performing sectors. "In the longer run, the current account deficit will then decline," he said.

The IMF, according to Chaiyawat said the turmoil will not disrupt the sound fundamentals of the Thai economy in the long run, "although it may create havoc in the short term," he said, "the IMF does not give much weight to the current turmoil in our equity and currency markets as reported."

In a separate interview, Finance Minister Tharin Nimmanhemin reacted indifferently to the report that IMF has urged the Bank of Thailand to keep the baht weaker against the plunging US dollar.

Tharin said he must wait for IMF official reports before making any comment. IMF economists, he said won't submit their report to the IMF until late this month, "and I will hold a press conference on this topic immediately after that," he said.

Cabinet Approves Japanese Technology Acquisition

BK1603065795 Bangkok BANGKOK POST in English 15 Mar 95 p 17

[FBIS Transcribed Text] A 4.4-billion-baht programme to acquire more Japanese technology in five years won Cabinet approval yesterday.

The plan emphasises eight potential fields for scientific and technological development proposed by the National Economic and Social Development Board.

But the Cabinet is cautious about the impact that fluctuations in the value of the yen may have on loans for the programme, which requires borrowing of 3.48 billion baht from Japan's Overseas Economic Cooperation Fund, 78 percent of the total. The balance will be provided in Thailand's state budget.

Government House spokesman Akharaphon Sorasuchat said the programme was intended to develop technology for the following applications: electronics, information and telecommunications; agro-industry and biotechnology; environment; metal and material; services and infrastructure; chemicals and petrochemicals; and supporting industries.

He said the technology transfer would be handled through the education system or industrial training, particularly in areas where skilled local workers were in short supply.

Admiral Prachet on Military Ties With Burma

95P30063B

[Editorial Report] The 3 February 1995 Bangkok SIAM RAT in Thai on page 3 reported Navy Commander in Chief Admiral Prachet Siridet's discussion of relations with Burma following SLORC attacks on Karen positions along the Thai-Burma border.

Prachet told reporters he saw no particular problems "with the disappearance of a buffer state along the Burmese border" and that Burmese authorities had affirmed to him that "things would proceed smoothly." In response to a question about foreign support to enhance Burmese naval capabilities, Prachet noted that "Thailand uses its navy to look after its fishing fleet and Burma does the same. If we have close contacts with them, it will build good relations." He added that "I met Burma's Navy commander in chief and he told me that having close relationships between our two navies would be one way to reduce tensions."

Border Patrol Police Uncover Arms Cache

BK1603062695 Bangkok BANGKOK POST in English 15 Mar 95 p 8

[FBIS Transcribed Text] Tak—Border Patrol Police [BPP] yesterday uncovered a cache of war weapons and ammunition near the Thai-Burma border in Ban Tak District.

The cache included two 60mm mortars, 200 rounds of M-93 machinegun ammunition and 1,441 rounds of 7.62mm ammunition.

Following a tipoff, Pol Lt Col [Police Lieutenant Colonel] Somsak Ninprapha, deputy superintendent of the 34th BPP Unit, led 15 Border Patrol policemen to search for the weapons with a mine detector and found them buried near Ban Ko Lan in Tambon Samo Khon on the Ban Tak-Mae Ramat road.

The search was based on information that weapons delivered from the eastern border with Cambodia would be resold to Karen National Union rebels fighting Rangoon troops, Pol Lt-Col Somsak said.

Surin Demands Cambodian Action on Incident

BK1603063495 Bangkok BANGKOK POST in English 15 Mar 95 p 8

[FBIS Transcribed Text] Deputy Foreign Minister Surin Phitsuwan yesterday called on Cambodia to find those responsible for the arrest of three Thais for ransom at the Poipet border crossing last week.

The incident occurred on March 9 when Pol Sgt-Maj [Police Sergeant-Major Phaisan Tocharoen, an immigration police officer of Aranyaprathet, acting Pol Sub-Lt [Police Sub-Lieutenant] Siam Sangoenhong, a Border Patrol policeman, and Sukho Thepphiban were arrested and charged with attempting to smuggle a lump of precious mineral ore called "Hin Kin Lek" out of Cambodia while travelling in a car in Poipet.

They were allegedly detained by an unidentified group of local Cambodian authorities.

Pol Sgt-Maj Phaisan was freed the same day while the the other two were released the next day when acting Pol Sub-Lt Siam's wife paid 200,000 baht ransom for them and their Mercedes Benz. They were also forced to sign a document to affirm they had not paid a ransom to ensure their freedom.

"Thailand maintains that the Cambodian Government can find out who was involved in the arrest," Surin said, adding that Thailand would seek to discuss the issue with Cambodia to prevent a recurrence.

The deputy minister also said a meeting between his ministry and governors of provinces along the Thai-Cambodian border was needed to discuss preventive measures.

However, he said the time for the meeting would be set later.

Burma Agrees To Free 120 Thai Fishermen

BK1603063295 Bangkok BANGKOK POST in English 15 Mar 95 p 8

[FBIS Transcribed Text] A total of 120 Thai fishermen to be released by Burma will arrive in Bangkok on March 20. They will be flown in on an Air Force C-130.

Rangoon has agreed to release the fishermen on the occasion of His Majesty's Golden Jubilee this year, following a request from former foreign minister Thaksin Chinnawat during his official visit to Rangoon last January.

Ministry Orders Crackdown on Illegal Immigrants

BK1603070095 Bangkok BANGKOK POST in English 15 Mar 95 p 2

[FBIS Transcribed Text] The Interior Ministry has ordered the Police Department to crack down on illegal immigrants to protect national security, according to a high-level source at the ministry.

Aliens from Burma, China Indochina and South Asian countries have for years illegally fled into Thailand.

More than 500,000 illegal immigrants are now in the country, said the source.

Most—more than 300,000—are believed to be from Burma followed by those from China and other countries.

The Interior Ministry and National Security Council [NSC] have discussed the problem which may cause adverse effects on the country's security both in the short and long term.

Because of the long common border with Thailand, Burmese people have fled to Thailand to avoid political turmoil and economic hardship in their own country.

Since 1988, when the Burmese junta launched a nationwide crackdown on politicians, people and students who aired opposition to the military government, including students, fled to take refuge in Thailand.

It is believed there are now more than 2,500 Burmese students and 300,000 other people hiding in Thailand, particularly in factories of private companies in need of cheap labour.

More Burmese immigrants entered Thailand in 1994 when the Thai Government relaxed regulations against Burmese workers in Kanchanaburi, Tak, Chiang Rai and Ranong provinces. It is believed there are more than 200,000 Burmese workers outside the four provinces.

It is also thought there are tens of thousands of Chinese immigrants. They enter the country overland and by sea often in the guise of tourists who overstay and then seek jobs in Bangkok and nearby provinces with the help of relatives and Chinese residents.

The Immigration Police, Special Branch, Metropolitan Police, Central Investigation Bureau and provincial police bureaus are jointly cracking down on illegal aliens to prevent jobs being taken away from Thais.

The Interior Ministry and NSC are concerned that illegal immigrants will not only adversely affect the life and property of Thais, but also the country's security.

The Police Department is suppressing illegal immigrants in Bangkok and its vicinity because some factories provide assistance without considering negative consequences, said the source.

The Interior Ministry has empowered the Police Department to take legal action against owners of factories and houses found to have sheltered illegal workers.

NGO Reports on Child Prostitution

95P30063A

[Editorial Report] The 27 January-2 February 1995 Bangkok ATHIT in Thai published on pages 20, 21 an article by Khanittha Worasiri on official reaction to disparate estimates of the extent of prostitution in general and child prostitution in particular.

The Ministry of Labor and Social Welfare places the number of prostitutes at between 150,000 and 300,000 while the Police Department's estimate is 100,000. One nongovernmental organization [NGO] put the number at 840,000, over which the prime minister expressed great dissatisfaction, saying it was designed to elicit foreign funding for the NGO's activities. Khanittha commented that, whatever numbers are used, the government's objective of eliminating child prostitution "within three months" has not only not been achieved, but Thailand's image abroad as a center of prostitution is getting worse.

A senior police officer responsible for suppression of prostitution in Bangkok acknowledged the existence of 700 brothels in Bangkok, which the police "dare not touch" because of unspecified "interests and influence." He said that according to a 1994 national survey, there are 5,736 brothels and 67,574 prostitutes.

NGO statistics differ sharply. Wanchai Bunpracha, an official of the Center for Children's Rights, stated that his organization had decided not to spend the more than 1 million baht to conduct a formal survey, but noted that some estimates place the number of prostitutes at 2 million. "From our experience in helping children, we have found that there are between 50,000 and 60,000 brothels. Each has from 30-40 prostitutes and 20-30 percent of those are children."

Vietnam

Official Views Prospects for Stock Exchange

BK1603065995 Hanoi VIETNAM INVESTMENT REVIEW in English 13-19 Feb 95 p 2

[Report by Quoc Vinh]

[FBIS Transcribed Text] It appears impossible for Vietnam to open a stock market this year, a key official in the Ministry of Finance (MoF) told Vietnam Investment Review last week. "It would be overly presumptuous to say that Vietnam will have a stock exchange in 1995," said Nguyen Cong Nghiep, Vice Director of the Financial Scientific Institute and one of the planners of the Vietnamese stock market.

According to Nghiep, there has been no significant progress in the preparation for a stock market since the beginning of 1994 and the Vietnamese Government has never announced any inauguration of such a market for this year, Nghiep said. The MoF official declined to provide details with regards to the slow process.

"So far, no official documents have been drafted which specify the exact opening date of such a stock market," Nghiep said

Planners estimate that prospects for a Vietnamese stock exchange stand somewhere in late 1996 or early 1997, if serious preparations are made immediately, stated a recent report .

Preparations should include defining stock market commodities (i.e. bonds, shares, and other types of securities), establishment of a State Stock Committee, and defining guidelines to regulate the issuance of stocks and general operations. Staff training and purchase of equipment will also he vital before Vietnam's stock exchange can be realized, noted Nghiep.

A source inside the State Bank of Vietnam (SBV) said that the Government has already set up a State Stock Committee (SSC) which is under federal management. SBV is partner with MoF in planning of the national stock market.

Nghiep indicated that for Vietnam, the stock market will be established by the Government and managed by SSC. Once local brokerage houses grow sufficiently strong, the market will merge into SSC and gain the right to self-control .

In this initial phase, Nghiep stressed that it would be important to allot a separate area for local traders to "practice" and gain valuable training in a realtime scenario. As Vietnamese traders become familiar with the mechanism, they will then participate fully with foreign players.

According to Nghiep trading will be handled differently between the first and second phases. "One crucial lesson is that we should not completely bridge the gap between foreign and local traders, but allow for a reasonable distance."

This would change for the second phase, Nghiep said, making reference to China and Indonesia where the limited ratio of shares for foreigners has caused severe escalation in prices. "It's unacceptable to have two different prices for eggs from the same hen," he warned.

Minister Outlines Information Technology Plan

BK1603090695 Hanoi VIETNAM INVESTMENT REVIEW in English 16-22 Jan 95 p 43

[Interview with Dang Huu, minister of Science, Technology and Environment, by Le Quoc Vinh; place and date not given]

[FBIS Transcribed Text] [Le Quoc Vinh] Some reports have said that improving the information technology [IT] industry may be the fastest way to develop the national economy. What do you think about this?

[Dang Huu] We have been left behind by the rest of the world for decades and it is true that development of information technology should be a quick way to drive our economy forward.

The Government shared the same opinion in Policy No 49/CP released in August 1993. The policy pointed out the need to develop information technology by the beginning of the 21st century and match the IT standards of world's industrialized nations. Policy No. 49 was the platform for the national program IT-2000 and also sketched a framework for development of our IT industry.

[Le Quoc Vinh] There has been much talk about IT-2000, but what is it actually about?

[Dang Huu] The purpose of IT-2000 is to build a foundation for basic information demands in government management and socioeconomic activities, and to develop IT industry to a level where it can help national development.

We have said very clearly in the master plan for the national program on development of information technology to the year 2000 that an integrated system of different computing networks must be built, with strong enough software and information and database systems which are able to service the Government and other key essential activities in the economy. Some domestic services will be integrated with international systems.

[Le Quoc Vinh] What is IT-2000's current work schedule?

[Dang Huu] We are focusing on two major tasks in the master plan. The first should be building the information technology infrastructure. That will help to implement computerized projects and apply information technology to all socioeconomic affairs, and gradually develop the local IT industry.

Information technology training and education are essential and should he carried out side-by-side with the provision of computing equipment and facilities and a national database network. The database system will cover the entire State.

By the year 2000, Vietnam must have at least 20,000 information professionals, including system analysts and designers, programmers, and maintenance and service experts.

Priority should be given to the software and service industries. We also have to build a foundation for the future development of a hardware industry.

The Government has planned to set up an Information Technology Institute under the National Center for Natural Sciences and Technology and other key research bodies under the Ministry of Science, Technology and Environment and the Ministry of Heavy Industry. These agencies will be given resources to study and undertake the IT revolution in Vietnam.

The secondary focus of the project is the implementation of key information projects in Government management and those to develop the social and economic life of the country Information technology must also be applied to the industrialization and modernization of the domestic economy.

Everyone must take part in IT development. Apart from the above-mentioned projects, the State will release a series of policies and measures to coordinate and encourage information technology development throughout the nation. An urgent policy will be publicized in favor of an "open system"—a main concept in the overall development of information technology.

[Le Quoc Vinh] How much will the program cost and where will the money come from?

[Dang Huu] It will cost about one billion dollars, of which at least US$200 million must come from the State Budget. I'm still not sure how we can get that money. And I don't think the budget can afford that right now. We may need financial assistance from international monetary organizations and both domestic and foreign investment in specific projects. What are the socioeconomic benefits of information technology development? State agencies will be able to improve management practices of the national economy. And, of course, that will affect the whole development of society. The application of information technology will be an important factor in the economic and administrative reforms of Vietnam. The ability to access into the national information network will mean that businesses will have the opportunity to improve competitiveness and quickly take part in the development of the market economy. IT will also help us integrate with the world economy and develop our international economic relations.

Skilled IT technicians will be an invaluable resource for national development. The wide application of IT and a strong IT industry will create a new economic area—the information area.

IT can be used in manufacturing and service industries, so should be essential in the industrialization and modernization of the economy. The use of IT will make a big difference to manufacturing and service industries. IT will color our life as well as improve living standards. It will improve the quality of health care, culture and social affairs.

Plans To Expand Southern Port Network Reviewed

BK1603070595 Hanoi VIETNAM INVESTMENT REVIEW (VIETNAM SHIPPING TIMES SUPPLEMENT) in English 13-26 Feb 95 p 1

[Report by Thien An]

[FBIS Transcribed Text] According to the authors of the project document "Orientation for Development of the Southern Economic Triangle" existing river ports in the Ho Chi Minh City-Vung Tau region are technically able to handle around seven to eight million tonnes of freight per year. Loading facilities and warehousing capacity, however, are beginning to severely constrain actual handling capacity.

Many major development projects for the maritime branch to 2000 and 2010 are related to improving cargo handling capacities.

All ports in Ho Chi Minh City will be upgraded, enlarged and modernized, raising total capacity to 13-15 million tonnes/year.

Deep-water sea ports will be built at Thi Vai-Vung Tau for ships of 50,000dwt [deadweight], and Ben Dinh-Sao Mai for ships up to 20,000dwt. Storage areas for goods in transit and facilities for handling industrial and agricultural goods also need to be built.

The regional development report recommends concentrating on an outbound port network from Ho Chi Minh City through Soai Rap Estuary, including building a port in Can Gio and a naval port, to fully exploit the Ganh Rai-Soai Rap Bay.

This means new shipyards along the Go Gia River and at the river mouth at Soai Rap. Another port serving the Nhon Trach-Tuy Ha Industrial Zone will be built as part of a program to upgrade links between the southern economic triangle and the Mekong Delta.

Ports in the Ho Chi Minh City area last year handled 11 million tonnes of cargo. Growth in traffic of 10 per cent per year will raise capacity requirements to 20 million tonnes by the end of the decade.

Meanwhile, runaway development has pushed transport planners to consider two possibilities: continued growth in urban port activity with the attendant risk of further harming a crowded city; or moving the port network, which already handles over 50 per cent of transit goods, to points closer to the open sea.

Le Duyet, head of the construction management board of the Southern Marine Department says that "apart from thorough examinations by developers, concerted action by the government, the Ministry of Transport, Marine Department, city authorities and con tractors, is urgent."

Nguyen Chi Cong, deputy director of Saigon Port, says the main task is to streamline transport on Saigon River.

"At present, no consignor wants to go as far as Can Gio because of the poor conditions."

Saigon Port has signed a memorandum of understanding with Canada on a US$12 million project to renovate river transport facilities between Ho Chi Minh City and Vung Tau.

Tran Van On, general director of Saigon Port, says the construction of a port network along Thi Vai River or at Sao Mai-Ben Dinh is a must because Saigon Port, even after upgrading, cannot handle 10 million tonnes of cargo per year alone. "Saigon will then play the role of ancillary to the new ones," On says.

Likewise the Thi Vai-Vung Tau deep-sea port network project, headed by Mai Dang Thuan and presented in March 1994.

The ports will be able to handle vessels of 15,000dwt [deadweight tons] all year, and if regularly dredged, navigation for ships up to 50,000dwt is feasible.

River users will include oil tankers of 35,000-50,OOOdwt, wooden-hulled ships of up to 32,000dwt, ro-ro [roll on-roll off] ferries of 20,000dwt, container vessels of 22,000-30,000dwt and cargo vessels of 30,000dwt.

The plan is to build seven ports: Go Dau for ships up to 3000dwt, with a total pier length of two kilometers and a cargo handling capacity of two million tonnes per year; Huu Ngan, 20,000dwt, four km, eight million tonne/year; Ta Ngan or Phu My, 30,000dwt, six km, 12 million tonne/year; Ha Luu, 50,000dwt, 3.5 km, 20 million tonne/year; Long Son, 50,000dwt, 5.5 km, 14 million tonne/year; Vung Tau, 30,000dwt, 1.5 million tonne/year; and Can Gio, 50,000dwt, five km, 55 million tonne/year.

The total pier length of the network is 33 km, and total handling capacity 126 million tonnes per year.

Go Dau and Phu My ports would be built first, as well as a port for oil and petroleum products, and a transshipment port at Ben Dinh.

The strip from Buoy Zero in Ganh Rai Bay to Go Dau, measuring 51.4 km, is divided into three sections. The first 33 kilometers are to be navigable by oil tankers up to 50,000dwt; the next eight km for cargo vessels of 30,000dwt and the last 10.4 km for vessels of 3000dwt. Ships would need to pass each other at special passing bays, however.

Capital requirements for the first phase Go Dau Port, Phu My Port, an oil and petroleum facility, a transshipment port and the corridor areas are US$20.75 million, US$325 million, US$24.9 million, US$208.7 million and US$5 million respectively.

Developers hope that the US$645 million investment capital for the first phase of the Thi Vai-Vung Tau Project will be found through build-operate-transfer contracts with a term of 20-25 years, or by joint ventures lasting 30 years. Construction will take seven years and the break-even point another ten years.

At the same time, some analysts say that developing water transport facilities should start with small projects, and take place in conjunction with land and air transport development.

And while existing transport networks in the southern economic triangle are inadequate, they are still a vast improvement on those in other parts of the country.

In addition to competition for investment and development priority, there are other hurdles to cross, such as verification procedures, implementation and the usual investment problems.

Project profitability does not necessarily depend on size, however. Prospective investors should remember that not only is Vietnam geographically well situated to play a key role in regional maritime trade, but that the southern economic triangle is economically the most active in the country.

* Efforts To Build Nuclear Power Plant Noted

Ho Chi Minh City TUOI TRE in Vietnamese 27 Dec 94 p 11 [Editorial Report] On 24 December 1994, the state program KC-09 organized a conference on "Long-Range Nuclear Fuel Planning" in Hanoi, in coordination with the Vietnam Radioactive Industry Institute. Specialists from the nuclear energy, chemicals, geology, metallurgy sectors agreed that Vietnam will be responsible for providing some fuel for the country's first nuclear power plant in 2015.

The conference confirmed that in order for the plant to be operational by then, strong investment and research projects must be undertaken immediately to arrange for fuel and equipment for the plant. Further plans should also be made for the purchase of parts which Vietnam cannot manufacture, such as the fuel rod casing and other nuclear power plant components.

Imports Expected To Make Up Cement Shortfall

BK1603065895 Hanoi VIETNAM INVESTMENT REVIEW in English 23-29 Jan 95 p 19

[Report by Minh Anh]

[FBIS Transcribed Text] The Vietnam Cement Corporation [VNCC], one of the country's first industry conglomerates, plans to turn out 75 percent of domestic production this year, but anticipates a drop in actual output.

Nguyen Van Thien, general director of the VNCC, said the corporation plans to produce 4.6 million tonnes of cement and five million square meters of fibro cement sheets in 1995, down from 4.7 million tonnes of cement and 5.3 million square meters of fibro cement.

Estimated nationwide demand for 1995 is about 7.5 million tonnes. The Vietnamese Government plans to import two million tonnes of cement, including one million tonnes of clinker. Of this, VNCC will import directly 700,000 tonnes of cement and 800,000 tonnes of clinker.

Cement is seen as one of Vietnam's major growth sectors for foreign investment, and this year VNCC will put VND2,300 billion (US$209 million) in pledged capital into action, in some projects, such as: the second production line in Hoang Thanh cement plant; phase one of modernization of the Bim Son cement plant; improvement of production environment in Ha Tien and Hai Phong cement plants; and implementation of construction of the But Son cement plant.

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